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**A REVIEW OF PERFORMANCE APPRAISAL
WITHIN LIVERPOOL DIRECT REVENUES SERVICE**

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of Chester for the degree of Masters of Business Administration**

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Abstract

This dissertation sets out to review and explain the challenge of performance management and how this is addressed through the performance appraisal process within Liverpool Direct Revenues Service. The research will examine the elements which constitute a high performing appraisal process and consider the current problems inherent within the appraisal process within the revenues service and the impact this maybe having on service delivery. The study also considers the impact on staff and their development of an appraisal system which is not delivering key messages or addressing individual performance issues.

The research used a number of data capture methods. Secondary survey data was used to underline and support findings from the primary interview data. In addition a survey of all frontline staff within the revenues service was undertaken to provide a greater wealth of data and enrich the overall research.

As a result of this research it was discovered that the revenues service does not have a coherent performance appraisal process. There exists a clear dichotomy between senior managers and senior officers as to what elements should be present in the performance appraisal. The research also discovered there was little engagement or confidence in the process from the participants.

The research makes several recommendations which include the training of all managers within the revenues service and the embedding of the appraisal process within the organisation. Further recommendations are made to improve staff engagement in the process and create better feedback of information.

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1. Introduction

Local Authorities have placed an increasing emphasis in recent times on the requirement for strong performance management processes to improve productivity and where possible reduce costs. This has been in response to several government reports the most influential being the Gershon Report (2004) which identified the possibility of extensive savings and reduced workforce by a process of modernisation and efficiency savings within the public sector. This study looks to understand the processes of performance appraisal as a part of the performance management process. The research will also seek to understand and quantify the benefits of the appraisal system as part of the overall performance management process.

This study has used the revenues department of LDL as the primary source of information although resource materials from the whole of LDL within the subject area has been utilised.

1.1 Structure of the Organisation

LDL is a joint venture company formed in 2001 between Liverpool City Council and British Telecom. The management structure of Liverpool Direct is set out in appendix 1 and shows the relationship between the various departments and their function. The overall objective for the creation of the joint venture was to improve performance and at the same time reduce costs. As identified by the Executive Management Board of Liverpool City Council (appendix 2 Committee Report) the Council also required inward investment to improve the customer experience in key areas. One of the principal objectives was to improve performance substantially in the areas which were to be transferred to the new company and take into account the government agenda for 'Modernising Government' (Cabinet Office, 1999) and to bring private sector disciplines to the performance of the Council. The ethos of the Council was to put the customer at the heart of everything we do by conducting a total review of process and systems to create a modern customer centric organisation.

LDL and the services managed by the company are critical to the success of Liverpool City Council. The services managed are key financial, human resource and technology infrastructure all of which are at the core in helping the Council achieve performance

improvements. The challenge for LDL is to reform failing services and improve performance of managers and staff. The architecture to achieve this goal was inward investment by British Telecom (BT) through LDL to improve the IT structure and customer access and a programme to improve individual performance. The second of these was the challenge for individual managers within the organisation assisted by a training program delivered externally and the development of a performance management model. It is this element which forms the bases of this research.

1.2 Background to Research

Armstrong and Baron (2005, p2) define performance management as “a process which contributes to the effective management of individuals and teams in order to achieve high levels of organisational performance”. As such, it establishes shared understanding about what is to be achieved and an approach to leading and developing people which will ensure it is achieved. Fundamentally for the organisation it is a means of getting better results from teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and competence requirements (Armstrong 2006).

Performance management itself is a relatively new discipline being developed principally in the early 1980s with a shift in emphasis from performance measurement to performance management (Bach, 1998). This indeed was indicative of the more strategic approach to Human Resource Management (HRM) policies which sought to link the aims of the organisation to the performance of the individual (Marchington & Wilkinson, 2005). The organisation's key aims goals and objectives become an embedded part of the process of performance management and are communicated through the performance appraisal process. But overall, it is the performance of the individual and how the behaviour of the individual can be influenced to achieve the strategic aims of the organisation which is the key aim of the performance management process. In other words performance management should be (CIPD, 2005):

Strategic - it is about broader issues and longer-term goals

Integrated - it should link various aspects of the business, people management, and individuals and teams.

In order to achieve the aims of the organisation, performance appraisal systems need to encompass processes which should incorporate:

Performance improvement - throughout the organisation, for individual, team and organisational effectiveness

Development - unless there is continuous development of individuals and teams, performance will not improve

Managing behaviour - ensuring that individuals are encouraged to behave in a way that allows and fosters better working relationships.

These are the fundamentals of performance management in that it is an integrated strategic performance plan which aims to influence the culture of an organisation to make it as efficient as possible. This is the challenge for managers in ensuring that the performance management model deployed achieves the desired aims of improving the performance of teams and individuals.

Some of the core activities supported by LDL presented challenging performance improvements. The core cities revenues performance and benefits CPA scores (appendix 3) demonstrated the need for radical improvement in performance across the broad spectrum of revenues and benefits activity. This clearly demonstrates the specific challenge for LDL and the requirement to deploy performance management techniques in order to meet the challenge.

Equally important as understating the overall objective of the performance management process is also considering and undertaking the processes to achieve the aims particularly those effecting the individual. The effectiveness and understanding of these processes and how they are integrated into the overall strategic aims of the organisation is important to the overall performance management structure. The performance management model must have clear objectives communicated and understood by the members of the organisation.

1.3 Research Question

The core of this research is to understand the performance appraisal model deployed by LDL revenues service and consider if it achieves the strategic aims of the organisation in developing a performance driven culture. In particular, the research will review how the interface between managers and staff operates by use of the appraisal system in a single department and to measure its effectiveness and understanding of the participants. This is

considered from a three tier structure looking at the front line staff, senior officers who undertake the performance management process and senior managers responsible for the strategic direction and the development of the performance management model.

The research will address specific aims which will assist in the understanding of the current performance management model used by Liverpool Direct Limited. These aims are identified as;

- To understand contemporary thinking on effective performance appraisal within organisations
- To analyse the effectiveness of the appraisal system within the revenues service and its understanding by both managers and front line staff
- To critically review the approach currently taken by Liverpool Direct Revenues Department.

Coupled to performance management is the management of poor performance which can have an undermining detrimental effect on the performance of the team and represents one of the biggest challenges to improving efficiency (Goodhew 2004).

Literature and recent professional articles will be examined and analysed to understand the current thinking on performance management from both an academic standpoint and from a practical organisational bases. As part of this research, the ethical issues of performance management will be examined. It is suggested that many of the techniques used in performance management are simply another method of control (Barlow 1989) rather than a tool to engage with individuals and change behaviour for the benefit of the organisation. It also leads to how managers deal with employees who have been performing below the required standard for several years without previously being challenged on their performance.

A further detailed examination of the documentation produced by LDL in support of their performance management model will also demonstrate the current thinking within the organisation. However, it is also important to discover how this is deployed and the understanding of managers and front line staff. It is therefore intended to conduct a questionnaire for frontline staff and followed by interviews with senior managers and line managers. This will identify the differences and weaknesses of the process of performance management compared to the documentation and stated aims of the organisation.

1.4 Justification for the research

Organisations such as Liverpool City Council and LDL invest large amounts of time and money in performance management models which are designed to increase understanding of the strategic aims of the organisation, improve individual and team performance and lead to better efficiency and cost benefits. The development of strong performance management and measurement processes within the public sector began in the 1980s with a number of government publications in particular the Financial Management Initiative (1981) which called for all managers at all levels to have a clear view of their objectives and means to access and measure outputs and performance in relation to their set objectives. This was followed by the 'Next Step' (HMSO 1988) initiative which identified a need for greater precision about the results expected of people and the organisation and a need to focus on outputs as well as inputs. The document also stated that Local Government in particular focused too much on spending money and not enough focus on achieving results. This was one of the driving forces which focused Local Government attention on the requirement to review their performance management development programs with the primary reasons for change identified as (Ashworth &, Ghobadian , 1994);

- pressure from central government and the Audit Commission;
- greater public expectation and consumerism;
- compulsive competitive tendering;
- changing culture and attitudes amongst local authority managers;
- a loss of confidence.

These were and still remain crucial issues for public sector organisations. In particular the examinations by the Audit Commission placed much greater emphasis on efficiency and cost savings they may achieve. One of the most influential reports in recent times has been the Gershon report (2004) which identified the requirement for Local Authorities to develop private sector disciplines in the pursuit of efficiency savings and overall cost reductions. The challenge for performance management is to adopt the most appropriate measures which will achieve the best performance from the resources available.

There is also much academic thought and writing which has been published not only on performance management in general terms for the organisation but also and specifically on

the processes adopted. There is much debate over processes such as performance appraisal which Armstrong and Baron (2005) considered was the main impetus to identify training needs and development of the individual but has also been described as demotivating and judgemental by other commentators (McGregor, 1997).

The same academic debate also surrounds the most recently adopted management tool of 360 degree feedback. In this now widely deployed process a number of stakeholders through a questionnaire process provide independent data on the individual. The issue is whether this more complex approach actually leads to improvements in performance or is it an expensive clerical exercise whose only goal may be to seek certification for such awards as Investors In People (Cullinane, 2005).

There are also similar differences in the management of poor performance which is a fundamental issue for all managers. This is thought by many to be a process which should be the responsibility of front line managers (Goodhew, 2004). However it is similarly argued that this is better suited to a HR function in that front line managers may become 'unwilling conscripts' (Guest, 1997).

The differing academic viewpoints will be analysed in order to evaluate the overall function of performance management and a detailed examination of the individual techniques employed. The continuing improvement in performance of the organisation is critical to success in the delivery of services and the reduction of costs.

1.5 Methodology

The detailed reasoning for the chosen methodology will be explained in detail in chapter 3. The researcher has adopted a phenomenological approach as being the most appropriate for the type of research being undertaken. This takes into account the researcher's close involvement in the organisation at a senior level which makes a purely objective positivist approach difficult. Further influences are explained in chapter 3 which identifies that a single epistemological model has not been totally adhered to given that there may be elements of subjectivity contained in the research.

A number of data capture methods have been employed to produce qualitative and quantitative data in support of the research. This has included in depth interviews with key managers and a questionnaire to front line staff.

Chapter 2, the literature review, lists the primary sources of resource material which has been obtained from a study of the prominent literature in this area of research. This material forms the backbone of the theoretical study of the research topic. Additional material has been obtained from Liverpool City Council and LDL which include committee reports, executive management reports and survey material. This secondary data has been used to discover the current approach adopted by the studied organisation and to compare and contrast this to the theories detailed in the primary literature.

Another important part of the research is to discover the impact and understanding of performance management on staff and managers. Two further data capture methods have been employed to obtain this data. Firstly a questionnaire based survey with a pre coded structured approach was sent to a sampling frame of staff from the revenues service (Fisher, 2007).

Secondly, a number of structured interviews were undertaken with selected staff from middle and senior management. The reasoning and methodology for this approach is explained in detail in chapter 3, however it was considered to be an important aspect of the study to gather the opinions of those managers who are responsible for deploying performance management programmes and those responsible for interpretation, implementation and analysis of the data gathered.

In addition, LDL granted access to certain parts of the computer database which contained information on the frequency and structure of employee appraisals within the revenues department. This data verifies the frequency of the appraisal interviews with staff and helps determine the importance placed upon the process by managers. This data has been used to compare against the responses to the questionnaire.

1.6 Outline of the Dissertation

The dissertation is set out in six chapters and within each chapter are a number of sub headings detailing the different components of the overall chapter.

Chapter 1 is the introduction to the dissertation subject given the reasoning for why the topic was chosen and its relevance to the researches organisation. The chapter provides a brief overview of the chosen methodology and the justification for the research and also sets out the historical context to the chosen area of research. The relevance and continuing importance of the subject is also explored and defined.

Chapter 2 is the literature review and brings together the leading theories and prominent literature on the subject area. These are considered in detail within this chapter and the various arguments and theories are discussed. The emphasis of the dissertation is focused on the performance appraisal model which forms a fundamental pillar of performance management. Before commencing this discussion, a review of performance measurement is detailed as the measurement criteria is important in assessing the success of the performance appraisal. In short, we need to discover what we are measuring and how to have an effective performance management system. In particular, an analysis and review of the appraisal system is undertaken and how this is embedded within the organisation and performance management framework. The relevance of the various theories to the research and how they fit within an organisational context are also considered.

Importantly within this chapter, the conceptual model is developed which considers all the theoretical arguments within the literature to develop a thesis which is designed to help answer the dissertation question. This model seeks to pull together the identified key elements of the research theories to develop constructive hypotheses for the further analysis through primary research of the subject area.

Chapter 3 develops a detailed understanding of the chosen methodology for the dissertation. The different possible research philosophies are discussed and the reasoning for the chosen research method. The chapter will also look at the method of data capture used and how the data was analysed as well as exploring any subjective difficulties which have arisen.

This chapter also considers the ethical issues which have arisen as part of this research and details how these have been managed and explained within the study. This is also viewed in the current context of the process within Liverpool Direct Limited and how this fits into the overall performance management ethos.

Chapter 4 reviews the data which has been collected from the primary data capture sources. Tables are produced from analysis of the interview and questionnaires which have been undertaken. The sampling frame is discussed in detail and the significance to the validity of the data collected from the percentage of returns. The tables themselves are contained within the appendix. This is the most significant data for the research as it draws upon information and understandings within the revenues service. The analysis of the data

is complex and uses the most appropriate analytical tools enabling conclusions to be made which support the research area.

Chapter 5 presents the conclusions and implications of the research. This looks not only at the theoretical research from the literature review but also the primary data gathered as part of the interviews and questionnaires. The reader is presented with an analysis of the dissertation including identified weaknesses and further areas of study which may expand the understanding of the subject area.

Chapter 6 the final chapter of the dissertation makes important recommendations based upon the evidence gathered throughout the study. These are limited in scope to the primary subject area and are narrow in their objectives as more broad recommendation could be made from additional research in the area. However, this does lead to an opportunity for further comparative study in the comparison of performance across multi departments within Liverpool Direct Limited and a comparative analysis with the performance model currently deployed by Liverpool City Council.

1.7 Conclusion

The opening chapter of the dissertation is designed to guide the reader through a broad view of the subject matter and the validity of the research topic. Each area discussed will be dealt with in more detail in the following chapters and will be supported by primary and secondary data. The primary focus of the dissertation is based around the performance appraisal model which is examined in detail in the literature review and forms a major part of the research around the revenues department deployment of the appraisal system.

2. Literature Review

A key impetus for the development and recognition of the importance of performance management has been the more competitive environment with which organisation now operate (Bach, 2005). With market globalisation and increased competition increasingly from third world countries organisations became under increasing pressure to increase productivity and reduce costs. During the 1980s a more holistic view was adopted considering all the influences on performance with a shift from simply performance measurement of outcomes to a more sophisticated performance management approach (Bach, 1998), developing a more strategic HRM approach to resource management (Marchington & Wilkinson, 2005) linking the aims of the organisation to the performance of the individual (Mwita, 2003).

Performance management is a structured method of review which aims to link together individual goals, departmental purpose and organisational objectives (Marchington & Wilkinson 2007). In this there is a clear strategic link between employee behaviour and the performance of the organisation. A useful definition of performance management was provided by Verweire and Van Den Berghe (2004,p7) as a ‘...comprehensive management process framing the continuous improvement journey by ensuring that everyone understands where the organisation is and where it needs to go to meet stakeholder needs.’

Ultimately, the goal of performance management is to achieve human capital advantage recognising that the individual is the most important source of the capital advantage to the organisation (Armstrong & Baron, 2007). This was also described by Boxall (1996) as a human resource process of ensuring that the results of recruitment strategy were to ensure that the organisation employed people with competitively valuable knowledge and skills. In this Boxall reaffirms the link between the performances of the organisation with the performance of the individual.

The overall aim of performance management is to establish a high performance culture. In this employees would visualise as part of their function the requirement to continually assist in improving the performance of the organisation. They will also perceive that they can influence important aspects of overall performance (Robson, 2004). This was described by Horton and Farnham (1999) as a process of maximising the value added through the performance management such that the initial costs are exceeded by the subsequent benefits. To achieve this, individuals and teams take responsibility for the

continuous improvement of the business developing their own skills and effectiveness (Armstrong, 2006). By harnessing and developing the potential of the individual the organisation will be best placed to achieve the strategic goals.

In addition to this, the underlying principles of performance management have been described as one of collaboration in which the system deployed should be one which encourages development and one which allows team members to move on to strategic development within the organisation (Egan, 1995).

The principles of performance management have been summarised as follows (Information Data Services 1997);

1. Translates corporate goals into individual team, department and divisional goals
2. It helps to clarify corporate goals
3. It is a continuous and evolutionary process in which performance improves over time
4. It relies on consensus and cooperation
5. It creates a shared understanding of what is required to improve performance and how this will be achieved
6. It encourages self management of individual performance
7. It requires a management style which is open and honest and encourages two way communications between superiors and subordinates
8. It requires continuous feedback
9. It measures and assesses all performance against jointly agreed goals
10. It should apply to all staff
11. It is not primarily concerned with linking performance to financial reward.

These again point towards the development of the individual to become high performers who will help achieve the strategic aims of the organisation. Employees are therefore the most important economic factor in achieving corporate aims of the organisation (Armstrong, 2006). But the development of employees or performance management in general is not a one off occurrence. The important message is that effective performance management is a continuous cycle and not a single event. The diagram below, which is based on the model first proposed by Deming (1986), demonstrates one example of a performance management cycle. Most performance management cycles are similar in that they link together strategy and planning with employee monitoring as well as reinforcing performance standards (Marchington & Wilkinson 2007). The Deming cycle links the

various elements of the performance management process into a continuous process. The different elements can be analysed as follows:

1. Plan is agreeing the objectives and competence requirements for the organisation. This will also identify the behavioural requirements, objectives and performance plans. Agreements for meeting, personal development enhanced knowledge and skills will also form part of the plan
2. Act is the actual carrying out of the work to achieve the objectives
3. Monitor is the process of continually checking on progress toward the desired objectives and responding to new demands
4. Review is holding regular meeting to 'stock take' and assess progress and take action where required for completing the cycle by moving into the planning stage (Armstrong & Baron, 2007).



(Scottish Parliament, 2005)

Performance management is therefore considered as a process and not single event. As Deming's model shows, it operates as a continuous cycle. The corporate strategic goals provide the starting point followed by agreement on performance and development leading to the drawing up of plans between individuals and managers with continuous monitoring and feedback supported by formal reviews (CIPD, 2008).

Once an organisation has determined upon a performance management framework it is then the function of managers to put the principles into effect. The determination of successive governments has been to improve the efficiency of the public sector, mirroring

private sector expectations and reduce costs. Therefore the performance management cycle is equally important for organisations such public sector as those in the private sector. For the bases of this study the most important element is the review and appraisal of performance which, as Armstrong (2004) has stated, is the fundamental element of performance management being the human interface between the management aspirations and strategic goals and service performance delivery from the individual.

However, in order to define performance we need to determine exactly what will constitute performance and how will this be measured? If managers are to engage with staff and provide feedback on performance then both parties need to be aware of what constitutes good performance or bad performance within their organisation. It is difficult for Local Authorities to think of performance in terms of simply outputs given the complex nature of these multi dimensional service delivery organisations (McLaughlin & Coffey, 1990). However, for the performance model to operate clear goals and objectives must be established in order to be measured.

2.1 Performance Measurement

One of the most quoted definitions of performance measurement was provided by Neeley *et al* (2002, p80) as “the process of quantifying the efficiency and effectiveness of past actions”. The difficulty with this definition is that it provides no information on what is to be quantified. An alternative definition was offered by Moullin (2002, p17) “evaluating how well organisations are managed and the value they deliver for customers and other stakeholders”. This definition gives much more guidance to people involved in performance measurement. In particular, it encourages them to consider the extent to which organisations measure the value they deliver to their customers and whether it covers the main aspects of how performance is managed. This is also particularly attractive measurement to those in the public sector as it is the service delivery to customers rather than product delivery which is the key performance factor. Traditionally within the public sector performance measurement has been centred on financial outputs and the control of budgets. However, as noted by Ashworth and Ghobadian (1993), there has been a growing understanding in both the public and private sectors of a need to look beyond simple financial measures and consider the influences on total performance of the organisation.

The assertion is that performance is a multi dimensional construct, the measurement of which can vary greatly depending on function and the variety of factors which comprise the output. (Mwita, 2000). This defines performance in multi dimensional terms linking the various activities of the organisation into an overall performance measurement. However, others argue that performance should simply be defined as the outcomes of work because it is this that provides the strongest linkage to the strategic goals of the organisation (Rogers, 1994).

Defining an organisation's performance by simple outputs has been challenged. Campbell (1990) suggests that performance is effectively behavioural driven and should be clearly distinguished from outcomes which are influenced by internal system factors outside the control of the individual. It is further suggested that the measurement of performance by simply outcomes is a form of 'old pay' notions of piecework (Beardwell & Claydon T, 2007). This type of measurement is very difficult for service organisations as the outputs can be intangible and ill defined (McLaughlin & Coffey 1990). A realisation has developed amongst public sector executives that new strategies and competitive realities requires more comprehensive methods of measurement. This represents a radical shift from traditional public sector considering performance in purely financial terms as the foundation of performance to considering them as one element of a broader set of measures (Eccles, 1991).

An alternative way of measuring performance is a competency based approach which is based on three stages, know how, know and know when (Rauls, 2001). Outcomes can be measured against competencies in their identified field of activity. The measurement is against the individual's core knowledge which will be identified by the business drivers and monitored to maintain balance (Klein, 1998). This is a cognitive approach to performance measurement which considers, knowledge, skills and motivation which enable the individual to perform well in any given situation (Boyatzis, 1982).

Competencies are factors which contribute to high levels of individual performance and therefore organisational effectiveness (Armstrong 1999). Therefore a competency based approach is a structured way of defining core process skills and abilities that employees need to be successful (Martone, 2003). The appraisal therefore measures performance against these core competencies.

A further study of performance measurement models has been provided by Kaplan and Norton (1992) who suggested a measurement which looked at the accomplishment of the business from four different perspectives;

1. Financial perspective
2. Customer perspective
3. Internal business perspective
4. Innovating and learning perspective

By combining all four disciplines you develop a balanced score card approach which enables a manager to understand the interrelationship between various measures. This process is designed to help organisations looking forward instead of backward and concentrate their attention on the critical areas of the business. Kaplan and Norton suggest that building a balanced scorecard approach enables an organisation to link the financial budgets with the strategic goals. The process looks to bring together the elements of the business that best reflect the current strategic position taking into consideration the various internal and external elements. The advantages of this approach are that it provides an overall picture of the organisations true performance (Slack *et al* 2007). This will also align employee's individual performance with the overall strategy.

A differing approach to performance measurement was suggested by Ray and Sahu (1990) who identified the key measures as being productivity, effectiveness, efficiency and quality. This approach best suited the multi dimensional nature of performance measurement and was suitable for both manufacturing processes and service industry. This is similar to Moullin (2002) who offers a more comprehensive performance measurement framework for Local Government organisations. It can be difficult for public sector organisations to measure performance by simply outputs. The ethos of such organisations is one which is primarily based on the delivery of a service which is difficult to measure in terms of simply production. Instead, the multi dimensional approach as mentioned by Mwita and Campbell (*op.cit.*) above offers a more comprehensive measurement of performance encapsulating the various dynamics of Local Government service delivery.

These various methods of measuring performance all have one element in common in that they recognise it is the human resource which the business has which will give the business a strategic advantage. In order to achieve the goals of the business employees need to achieve high performance within a performance driven organisation. This is a

behavioural change element which is crucial to the business obtaining a high performance culture.

Performance management can be coordinated by an interrelated framework between manager and employee. This forms a key objective of the appraisal which agrees to, standards and performance indicators, and means of reward. For successful performance management, a culture of and individual responsibility for the continuing improvement of business processes needs to be established, and individual skills and contributions need to be encouraged and nurtured (CIPD 2008).

2.2 Performance Appraisal

Armstrong (2006) described the role of performance appraisal as a tool for looking forward to what needs to be done by people in the organisation in order to achieve the purpose of the job, to meet new challenges, better use of technology skills and attributes. In addition, it will develop both organisational and individual capabilities and reach agreement on areas where performance needs to be improved. It is also a method in which the organisation obtains feedback on the effectiveness of its employee's generating information which influences many of the organisations decisions (Szilagyi & Wallace, 1990). In addition, it assists on an individual basis in helping employee understanding and commitment but also in decision making about career choices and how they spend their time (Wiese & Buckley, 1998).

This is the ideal of the performance appraisal approach in that the desired outcomes effectively enable the employee to meet their own performance targets through motivated self learning, but also that they understand that this helps the organisation meet and indeed exceed their strategic targets by linking individual performance targets to the overall strategic targets of the organisation. Performance appraisal is often the central pillar of the performance management process as highlighted by the CIPD survey (2005) in which it was discovered that 65% of organisations surveyed used individual annual performance appraisal and 27% twice yearly.

Performance appraisal is one element of the performance management process which involves different measurements throughout the organisation. But it is the element which is most important if organisations are to take advantage of their most important asset, employees, and gain human capital advantage. There are other processes within the

organisation such as technology and design but it is the human factor which is most difficult to replicate and therefore the most valuable (Armstrong & Baron, 2005). Strategy implementation and delivery of organisational strategic targets is best accomplished through high performing people (Michlitsch, 2000) and it is the development of these people which performance appraisal seeks to advance. This is not the only identified purpose for performance appraisal. Edmonstone (1996) suggested the following purpose of the process;

1. Improvement in the communication between boss and subordinate through use of feedback;
2. Identification of the scope of performance improvement and the means to achieve this;
3. Identification of individual training needs;
4. Identification of individual for future promotion;
5. As a power means of management control through the setting of objectives and the review of the performance against these objectives.

This is by no means a definitive list, but demonstrates the direction in which the performance appraisal system should move towards. The appraisal interview is the key interface between management and the employee and should allow the employee to have honest two way communication with their direct line manager. This is seen as one of the key objectives of the performance appraisal process within LDL but also similar to the study by Edmonstone (1996) above the identification of training needs and objective setting is an essential element in the process.

2.2.1 Characteristics of Performance Appraisal

A successful performance appraisal system is one which has resulted from hard work, careful thinking, planning and integrated with the strategy and needs of the organisation (Caruth &, Humphreys, 2006). In research performed by Bolce and Kilner (1997), they alluded to the fact that although companies both in the private sector and public sector had different methodologies in the application of performance appraisal systems, the most successful all had similar characteristics. The first requirement is that must be formalised and embedded within the organisation. There should also be definitive written and communicated policies and procedures for the application of the performance appraisal process (Allan, 1994). Formalising in this way disciplines the organisation to carefully consider all the facets of the performance appraisal. This dictates what the performance

appraisal is trying to achieve and helps to prevent the view of seeing performance appraisal as nothing more than a 'necessary administrative evil' (Losyk , 2002, p8).

An important element is that it must be clearly understood by both the appraiser and the appraisee that the anticipated levels of accomplishment or progress express the organisation's concept of acceptable performance (Sales Agency Management 1999).

Without these standard measures, performance cannot be evaluated in any meaningful way and the performance appraisal becomes nothing more than a discussion between manager and subordinate. Armstrong (2006) identified several criteria for performance measures which should be present in evaluating performance through the performance appraisal process;

1. Be related to the strategic goal of the business;
2. Be relevant to the roles and objectives of the individual concerned;
3. Focus on outputs, outcomes and behaviour;
4. Provide a sound basis for feedback;
5. Be comprehensive and communicate all key aspects of performance.

The development of an appraisal measurement standard can be very difficult particularly in organisations where outcomes are not easily measured but it is one that is necessary if the integration of the appraisal process into the overall strategic goals of the organisation is to be achieved. It was stated by Marsdon (1999) that any performance appraisal system that did not consistently measure work performance accurately cannot be considered an effective one. Where proper standards and measurement are not used reliability, problems may arise because there are no objective criteria therefore performance evaluation errors can occur making the process invalid. It would therefore appear essential that a performance measurement is understood and agreed in order to have a standard by which employees can be objectively measured.

One of the most important elements of an effective performance appraisal system is open and honest communication. The feedback of performance appraisal information is a critical communication activity in organisations (O'Reilly & Anderson, 2006). An effective system ensures that feedback is provided regularly and an understanding by managers that all employees have a need to know how effectively they have been performing (Lee, 2005). Linked to this is the effectiveness of the appraiser. The appraiser should develop and interpersonal relationship link based on trust openness, shared control

and reduced defensiveness in dealing with difficult topics (Piggott-Irvine, 2003). This is critical to the success of the performance appraisal process in that appraisers should be thoroughly trained and receives regular updates and retraining as required (Allan, 1994). Fink and Longenecker (1998) as part of their research into US organisations identified ten core competencies required by the manager to conduct effective appraisal;

1. Knowledge of the appraisal process adopted by the organisation
2. Ability to clarify and communicate performance expectations
3. Effective decision making
4. Coaching skills
5. Effective written and verbal communication
6. Delegation and empowerment skills
7. Effective observation
8. Employee development skills
9. Conflict resolution and problem solving
10. Knowledge of legal compliance skills

These competencies were listed by managers of many years experience as being essential to having an effective performance appraisal program. However, Fink and Longenecker (1998) noted that there was little information to indicate that managers had taken steps to ensure that these competencies were present in those doing the appraisal.

The performance appraisal should set for the individual obtainable yet challenging goals. Clearly defined goals or objectives determine the contribution an individual makes to the organisation. By agreeing with the individual what their goals and objectives should be will have a positive influence on the individual's commitment and motivation. Adversely setting unattainable goals and objectives will reduce individual commitment (Locke & Latham 1990). Foster (2000) considered that this increases positive work practices and motivation as long as resources are made available for training requirements identified.

There are elements of these processes in the performance appraisal model adopted by LDL which was originally developed and deployed by Liverpool City Council (Appendix 4). However, the key element which the literature emphasises is the need for effective communication and the reliable measurement of performance. These are the elements which are most relevant to this study and in effect will be used to test the current performance management model and appraisal system. Also, in addition to this are the

comments made by Allen (1994) concerning the effectiveness of the appraiser which are said to be fundamental to the success of any deployed appraisal system. This will also form part of the testing for this study to discover if the training for appraisers has been sufficient and do the staff have confidence in them as appraisers.

2.2.3 Critique of Performance Appraisal

For the appraisal system to function effectively it should be open and objective based upon known facts or measurements of the individual. However, commentators have challenged the validity of the process. Bach (1998) identified the problem of the 'halo effect' distortion. This happens when one attribute of an individual is used to rate the overall performance. This can have two consequences in either giving a lower score than otherwise would have been obtained with greater objectivity or artificially giving a higher score. There is also a reluctance for managers either to be too harsh or over lenient. This then undermines the value of the performance appraisal process. Grint (1993) describes a further distortion as the 'horn effect', which for subjective reasons results in a lower assessment than might otherwise be given.

There are a variety of other distortions which can arise from the appraisal process which surround the human interface between the appraisee and appraiser (Furnham, 1993).

Armstrong and Baron (2004) suggested these some of these shortcomings maybe tempered by a shift in some organisations to a more continuous process of performance review rather than the more simplistic annual appraisal. In this process, the work is continually assessed and distortions or errors can be discussed at an early stage and agreement reached with the individual.

Barlow (1989) suggests that given the circumstances and the possible conflicts which can arise from the performance appraisal process it is not surprising that some managers are ambivalent or even hostile to performance appraisal. The process can act as a 'lightening conductor' for general complaints about pay and promotion prospects making it difficult for the manager to properly assess the individual.

The lack of understanding, motivation or training of the appraiser will often undermine the process (Harris L, 2001). As Marchington and Wilkinson (2005) noted managers may also feel embarrassed about commenting on standards and raising concerns about behaviour or personal traits. Negative feedback needs to be treated with support and sensitivity otherwise the judgemental aspect of the feedback maybe de motivating which is the

exactly opposite of the desired results of the process (McGregor, 1997). Bach (1998) further noted that this process is made worse as front line managers are rarely held accountable for how they conduct performance appraisals or on the validity of the results.

As previously stated one of the perceived fundamental benefits of performance appraisal is the development and motivation of staff. However, Bach (1998) suggests that rather than being a development exercise it can become a further element of management control.

This is further alluded to in Foucault's (1981) study that saw the process as part of a management regime to control all aspects of employee behaviour and eliminate scope for employee resistance. This is particularly true in the reward driven appraisal process, but as Armstrong and Baron (2004) comment in their review of the CIPD survey 2003, there has been a move away from reward driven systems and more towards development appraisal. Townley (1993) also considered that appraisal was an exercise in power and control which could be used by managers as a form of "disciplinary gaze".

This element of control was also mentioned by Barlow (1989, p499) who stated "institutionally elaborated systems of management appraisal and development are significant rhetoric's in the apparatus of bureaucratic control. They reward what is perceived to be successful performance and penalise deviance".

2.3 360 degree feedback

An alternative to the traditional feedback mechanism is the 360 degree feedback which according to Fletcher (1997) has been adopted at remarkable speed. This is not an entirely new concept as pointed out by Bernardin *et al* (1993) some companies such as IBM have been using subordinate appraisal since the 1960s. But as Garavan *et al* (1997) states it may be old wine in new bottles but it the increased use by organisations which makes it a new process.

This appraisal system was described by Ward (1997, p4) as "... the systematic collection and feedback of performance data on an individual or group, derived from a number of stakeholders on their performance". One of the main drivers for the introduction of this appraisal process within the public sector was Sir Richard Wilson's report on the civil service (Cabinet Office 1999) which identified key criteria for good leadership was self awareness. The report suggested was a fundamental strength of the 360 degree feedback appraisal system.

This process differs from the traditional appraisal systems in that it recognises the complexity of modern management and the value of input from different sources (Garavan et al, 1997). It gives the opportunity for managers to rate themselves in a variety of performance domains and through subordinate and peer feedback can evaluate how their self assessment compares to the assessment of others (Van Veslor et al, 1992).

Performance feedback plays an important role in organisational activities such as career development, job satisfaction and performance management (DeNisi & Kluger, 2000).

The assessment works on a voluntary basis and uniquely allows the employee to choose his or her own raters. The advantages of this type of feedback mechanism were highlighted by Armstrong and Baron (2004);

1. Individuals get a broader perspective of how they are perceived,
2. More aware strengths and weaknesses,
3. Feedback is more reliable as it is a multi rater ,
4. Individuals receive new insight about their performance,
5. The process will highlight key development areas,
6. Managers become more aware of their impact on others.

These elements possess both individual and organisational benefits. The complexity of organisations has made it increasingly difficult for line managers to fully appreciate all the dimensions of any one individual's role. The 360 degree process provides individuals with tools and techniques to receive more comprehensive and meaningful feedback from a broader range of responders. This then enables the production of a better development and training plan for the individual (Armstrong & Baron, 2006). Further, it is suggested that it can also be used to reinforce the organisation's core values and business strategy by providing feedback on how well managers adhere too and communicate the core values of the business (Tornow, 1993).

The mechanism for 360 degree feedback is primarily based upon the questionnaire which Bracken (1994) considered should contain the following elements;

1. It should focus on the behaviour and not just general traits. The questionnaire should ask if the manager does or does not do something rather than concentrate on personal characteristics,
2. The behaviour should flow directly from the organisations vision and values,
3. The system should reflect the present and the future in describing expected behaviours

The data received from the feedback should be fed back to the participant in a way that is intended to result in acceptance of the information and formulation of a development plan (Ward, 1997).

The process is claimed to offer several benefits over the more simplistic appraisal system. O'Reilly (1994) claims that it enhanced two way communication and opportunity for employee involvement. He further considered that the process can demonstrate respect for employees by showing that their opinion counts and can create a better working relationship with the organisation.

2.3.1 Drawbacks of the 360 degree feedback

There is little empirical research evidence on the benefits to the organisation of the 360 degree feedback process. Brutus *et al* (1999) argues that there have been few attempts to investigate the impact on individual behaviour despite the expense in time and money to the organisations which have deployed the system. Armstrong and Baron (2004) also noted several potential problems with the process including people not giving honest feedback, lack of action following feedback and an over reliance on technology. However, they do go on to say that most of the identified problematic issues can be minimised or even eliminated by careful design, communication and training.

A further identified weakness which can result in confusion is the excessive number of surveys required for each worker (Tornow, 1993). It has also been argued that were the feedback fails to involve the internal or external customer then it cannot be described as 360 degree feedback but rather 270 degree feedback. This according to London and Beatty (1993) is a major weakness as the customer is an invaluable source of data which can add value to the organisation and increase its competitive advantage. However, their research showed that very few organisations that currently deployed the process included the customer as part of the feedback loop.

When 360 degree feedback is used for development purposes scores from raters are remarkably similar. However, when used for performance evaluation, friends will 'pump up' the score and rivals will become remarkable lukewarm (O'Reilly, 1994). Bernardin *et al* (1993) highlighted concerns associated with upward appraisal as part of the process;

1. Managers tendency to please subordinates to get higher appraisals
2. Subordinates may lack the ability , training or information to provide valid ratings,

3. Subordinates may be reluctant to give bad ratings for fear of reprisal which may inflate ratings,
4. Managers may also be confused on how to interpret subordinate appraisal relative to rating from senior managers.

The overall conclusion drawn by Bernardin and Beatty (1996) is that staff attitudes towards the appraisal system on its ultimate effectiveness and the extent to which managers express pessimism regarding subordinate appraisal can undermine the process.

Mabey (2001) also pointed out that there has been very little investigation into the experience of the participants which is a concern as the success or failure relies to a large extent rests on how far individuals accept the process. Geake and Gray (2001,p3) further remarked on this in saying ‘the specifically individual focus on the 360 degree feedback would suggest a very real need to evaluate the fall out in respect of how individuals react to the process.’ In this they also consider that unless follow up action is performed to determine individual perceptions then the process will swiftly lose credibility.

2.4 Management of poor performance

The management of those staff who fail to meet the identified and communicated performance standards expected by the organisation is one of the most challenging aspects of management particularly in service organisations who deal directly with the customer(Goodhew *et al*,2007). The overall performance and standing of the organisation is to a large degree dependent upon the staff employed. The literature identifies two specific themes which appear in the management of poor performance;

1. The reluctance of managers to deal with poor performance, (Hutchinson & Purcell, 2003)
2. The lack of consistency in dealing with poor performance. (Cunningham, 2001)

The need in particular for consistency is vital as organisations invest time and money into upward and multi assessor appraisal systems. There has been some debate as where the responsibility for the management of poor performance should rest within the organisation. Some consider that this should be a strategic HR function, as stated by Renwick (2003) who considered the front line managers can often be ‘unwilling conscripts’ finding their role problematic which may undermine the organisation.

However, Armstrong and Baron (2005) have taken a different stance believing that the role of the front line manager is vital for people management and organisational performance.

It is the ongoing appraisal system which managers use to influence behaviour which plays a key role in performance management. However, it is the reluctance of managers to deal with the issue of poor performance that can undermine organisational effectiveness and compromise the integrity of the appraisal system. Goodhew and Hamilton (2007) identified three reasons for this. Firstly, that it can involve giving bad news which ultimately may mean the termination of a contract. Secondly, it can carry the risk of litigation against the manager or at the very least an Employment Tribunal. Thirdly, it can place the manager in an ethical dilemma of having to make a choice between dismissal and development, or more fundamentally justice and mercy for which they may be ill equipped to deal with. Armstrong and Baron (2005) suggested that this calls for a level of personal fortitude which is not required in other areas of frontline management. They further went on to outline five steps which should be identified as part of the appraisal process for managing poor performance;

1. Identify and agree the problem,
2. Establish the reasons for the underperformance,
3. Decide and agree on the action required,
4. Resource the action via training as required,
5. Monitor performance and provide feedback.

If performance continues to be below the standards agreed, then the process can be repeated and the ultimate sanction of dismissal applied if required. This in most organisations is the role of the front line manager through the proper application of the appraisal performance management process (Armstrong & Baron, 2005). There is however, as identified by Cunningham (2001), a chronic niceness in not applying the negative consequences that discipline for poor performance would attract. This in part is due to the reluctance of managers as identified by Marchington and Wilkinson (2005) to give negative feedback to staff.

It is important for managers to understand the impact on other employees of not tackling this sensitive issue. The Labour Relations Agency (August 2008) stated that as well as the

negative impact on productivity it is also a cause of resentment from employees whose work is satisfactory.

2.5 Ethical Considerations

Within the scope of the performance management agenda which may seek at times to challenge employee behaviour, ethical considerations between the stakeholders within the process need to be built into the process. It is argued that for a performance management approach to be meaningful and worthwhile four ethical measures need to be in place (Winstanley, & Stuart –Smith, 1996);

1. Respect for the individual
2. Mutual respect
3. Procedural fairness
4. Transparency of decision making.

The literature in the critique of performance management identified a number of distortions which may give bias or unfair results within the appraisal process. Building procedural fairness and transparency within the appraisal system helps to reduce the more subjective elements of the process. Armstrong and Baron (2004) considered that careful planning and feedback at an early stage of the process will give more confidence to all stakeholders and the ability to refine the process. Participants will feel more engaged and willing to take an active role in the process.

The rights and respect for the individual also need to be considered as part of the process. The right to privacy of findings and the protection of some personal information should be set within the structure. The individual should also have the right to comment about the findings of the performance appraisal. An interesting ethical question is raised by Winstanley & Stuart-Smith (1996) in that as part of the appraisal process, staff should consider that they are an ‘ends in themselves’ and not merely a ‘means to an end’. This is to say that it is the individual who is the most important part of the appraisal process and not the process itself. In part this will be achieved by the appraiser seeing the appraisal process as a valuable development tool and not being as Barlow (1989) suggested hostile or ambivalent to the process.

There must also be mutual respect and a shift from seeing organisations as purely performance or profit motive driven and more as communities of mutual interest. All

stakeholders' interests should be taken into consideration. This is true within the appraisal process where both the appraisee and appraiser should have a mutual respect and understanding of each other's role.

A critique of the performance appraisal process is that it can act more as a further element of management control than as a process for motivation and development (Bach 1998). This leaves another ethical consideration in doubt and that is the element of trust between the parties. If the process has the design and is communicated as an honest two way communication for the development of the individual then it should not be used for as a further foundation of management power.

These elements of the ethical considerations should be built into the performance appraisal process to ensure that fairness and equality are maintained. This is an important element of the research as it contributes to the effectiveness of the performance appraisal process in providing the appraised with confidence in the appraiser.

2.6 Conceptual Model

This research is based primarily on the value of the appraisal system and how it is designed to help the organisation meet their strategic goals. The appraisal system has a number of dynamics in the more traditional one to one system and the multi rater that feed into the process which needs to be understood in order to understand and measure the impact they have upon the outcomes of the organisation. In this it is the examination of the appraisal system and the benefits they potentially bring to the organisation in terms of improved performance and employee engagement which the research examines. In addition it is the attitudes of the managers delivering the appraisal and the experience of the staff who receive the appraisal which is also considered.

Primarily we need to understand what we are measuring in order to build appraisal systems which can capture this information. In this respect Rogers (1994) argues that performance should simply be measured on outcomes as this directly links to the strategic success of the organisation. This would appear to be somewhat of a limiting description particularly considering that in public service organisations outcomes can be difficult to measure. It may be more appropriate within this construct to look at measurement which encompasses knowledge, behaviour and skills as well as outcomes as a multi dimensional aspect of performance measurement as mentioned by Mwita (2003).

We still need to be clearly focused on the strategic aim of the organisation and how the appraisal system will help in the achievement of these aims. Kaplan and Norton's (1995) balanced score card approach brings together the elements of the organisation which capture the overall performance. This gives an overall strategic point of measurement but for the benefit of studying the appraisal system deployed by Liverpool Direct it is important to understand how the strategic aims of the organisation are communicated to staff and their understanding of those aims.

Armstrong (2006) considers that an essential element of the appraisal system is the development of staff, motivation and behavioural change in becoming a success driven organisation. It is important to understand if these elements of successful performance appraisal system are present in the current model redeployed by Liverpool Direct. The diagram below (Fig 2) demonstrates how the conceptual model is developed for the purpose of this study. The model has drawn together what is considered to be from the literature and information from LDL the most important elements for the performance appraisal leading to the strategic aim of the organisation,

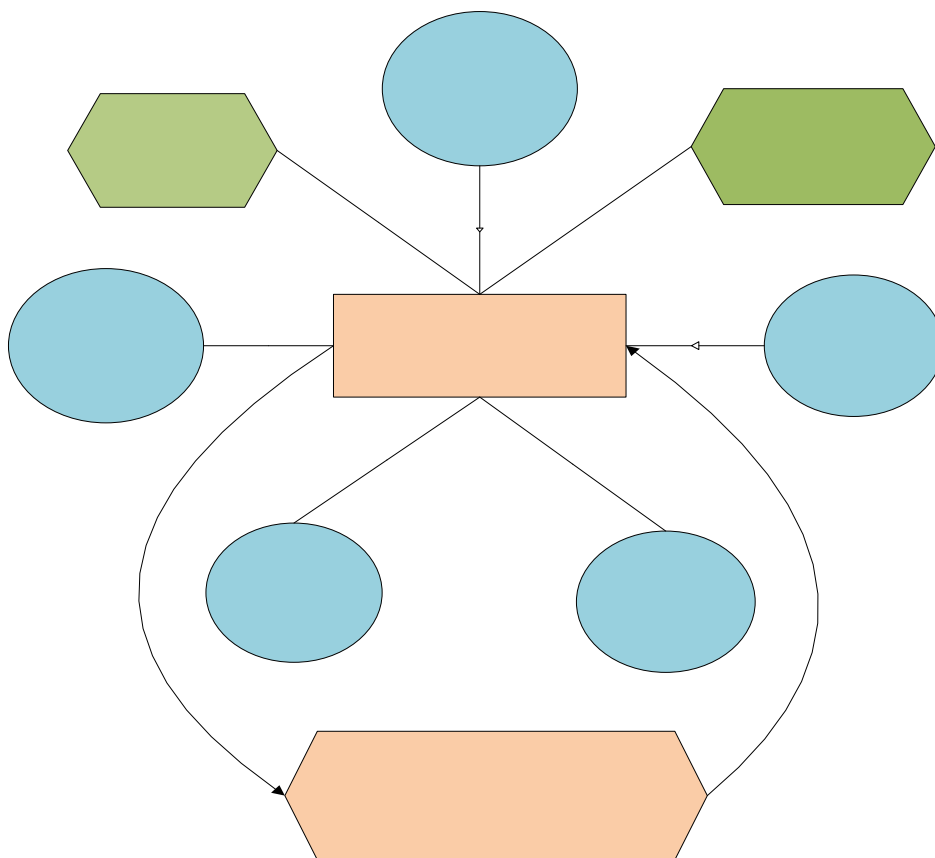


Fig 2.

An element which needs consideration as part of the process, as mentioned by Beatty (1993), is the feedback which can be received by involving the customer within the

process. This undoubtedly would have benefit in understanding if the changes made within the organisation have a positive change in the customer experience. However this would require a development of a customer relationship manager system which is beyond the scope of this study.

The feeding elements with the model above are all key criteria within the literature. To implement a successful appraisal system it is necessary to ascertain if the attributes of such a system are a part of that deployed by Liverpool Direct revenues service. These are highlighted in Fig 2 as being;

1. Behavioural change is the process whereby the behaviour of the individual is one which is performance driven. Here Daniels (1989) gives a note of caution in that if the organisation has not pinpointed the desired behaviours from the beginning of the performance process it will impossible to objectively measure and determine whether the changes are performance driven or system change driven. It is therefore vital that the desired behaviours for the success of the organisation are known and communicated. If these behaviours are achieved then they can be measured against the performance of the organisation.
2. Motivation of the individual. As Foster (1989) suggests, this can be achieved through the setting of goals and positive feedback,
3. Measurement of performance is critical to the success of the appraisal system. Unless we are able to accurately measure performance in this multi dimensional construct then it will be difficult to ascertain our success criteria,
4. Employee development is a further function of the appraisal process. The training requirement must be identified and agreed and deployed as soon as practical,
5. Communication of the strategic aims of the organisation. In order that staff and managers understand the strategic goals of the organisation it must be clearly communication and reinforced as part of the performance appraisal procedure(Lee ,2005).

These elements will form the basis of the conceptual model in an investigation to see how they are embedded within the current process. Further to this, the ethics of the performance management and regularity of feedback also need to be present within a successful model.

Harris (2001) noted that the attitude and training of the appraiser will determine the success of the process. It is important that the appraiser has the required skills to undertake the feedback process and that they do not view the process as simply a 'necessary evil which they are required to undertake'. The appraiser attitude is an important element particularly given the responsibilities within the appraisal process of dealing with poor performance.

The benefits of the 360 degree feedback must be understood and how this would fit into the organisation. If we consider some of the stated weaknesses of the appraisal system there needs to be consideration if these may be overcome by deployment of a 360 degree feedback solution.

2.7 Conclusion

The literature review has drawn together an overview of performance management with a concentration on the performance appraisal elements of the process. This has been identified by the CIPD (2004) is the cornerstone in many organisations of the performance management cycle. This bears resonance with the process deployed by Liverpool Direct who has placed the most influence on performance as being the performance appraisal. The criteria mentioned by Armstrong (2006) as the elements required for a successful performance appraisal process are those which would fit the Liverpool Direct model.

However, the difficulties with the process are ones which the research seeks to identify. Certainly, the ambivalence of managers identified by Barlow (1989) is one which was of primary concern and an identification of bias and distortions mentioned by Bach and Grint (*op.cit.*) above is also a consideration for this study.

The 360 degree feedback process has only had a limited trail within Liverpool Direct with unpublished and therefore unknown results. But the criticism of this process as being too complex, expensive and reliant on too many reportees are those expressed at the time of the deployment of this process.

The literature has enabled the research to be focused on those elements which are closely aligned with the research question. Identification of the difficulties identified with performance appraisal form an important part of both the quantitative and qualitative research undertaken as part of this study.

3. Methodology

This study will be in the main but not exclusively be a phenomenological piece of research in that information and perception of ideas have been gathered through inductive qualitative methods, using semi structured interview procedures. This research phenomenological humanist philosophy was deemed most appropriate as essentially we are dealing with the individual and using 'taken for granted' assumptions of the perception process. Epistemological phenomenological is based on the paradigm of personal knowledge and subjectivity that emphasises the importance of personal perspective and interpretation (Lester, 1999). This approach is also useful in describing the 'lived experiences' of the research participants and the way their perception are developed through judgement and memories (Dunscombe 2007, pp76). It is an approach which in many respects is in direct opposition to positivism in that it emphasises;

1. Subjectivity rather than objectivity
2. Description more than analysis
3. Interpretation rather than measurement

This research philosophy has proved very useful for researches in areas such as health, education and business where it has been important to understand the thinking of the employees of each organisation (Crotty, 1996). It is the individual's views and personnel experiences which are at the centre of this research approach with a reliance on the interview process to gather much of the required data.

The research method on the whole is qualitative one with extensive use of in depth interviews. However, the research has also depended on quantitative methods in order to gather extensive data from as many sources as possible. The research needed to establish if the ideas and procedures of the managers interviewed had been communicated and embedded with the staff. This presented an opportunity to gather information from all front line employees who were subject to appraisals from line managers. The sample group identified for the collection of this data was too large for a qualitative interview approach. Further it was considered that the data required from this group did not require an in depth interview approach and could be collected from a quantitative questionnaire design. A purely qualitative approach although providing the richness of data would not have revealed all the potential information this research opportunity provided. Extensive

use of closed questionnaires and skills matrix analysis has supplemented the qualitative data. This enables broad data procurement and a more holistic analysis of the research.

3.1 Justification

The phenomenological approach is 'humanist' in that it allows for the subjectivity of the researcher. It further takes into consideration the lived experiences of people within the organisation and is therefore most suited to the interview approach to be adopted (Denscombe, 2007). As part of the interview procedure it was important to establish other manager's interpretation of the appraisal process. This is then compared to the Liverpool Direct model and analysis of the differences between the two recorded. This qualitative research approach enabled one of the core aspects of the research to be undertaken in understanding the differences in manager's perceptions of the process at different operational levels within the organisation.

However, as discussed, a qualitative approach was not the only method employed. In order to secure wider research data a quantitative research questionnaire was developed. This method was used in response to information discovered in the literature concerning the need for performance appraisal to be linked to the strategic goal goals the organisation (Armstrong 2006). In order to establish if this indeed had occurred, a much wider focus group of over 42 individuals was used which prohibited the use of a qualitative approach given the numbers and time available.

The use of the questionnaire complimented the data from the interviews in that it gave an insight in to the attitudes and feeling of front line staff to the appraisal process. Although not providing the quality of data received from the interviews with managers it helped the researcher formulate the interview questions by providing an additional source of data on areas of interest to the study.

3.2 Front Line Staff Questionnaire

The mechanism used for this questionnaire was an electronic medium developed within LDL called SharePoint. The reasons for this approach rather than a more simplistic paper questionnaire were as follows;

1. SharePoint can be accessed by all staff and is a well known process. This facility has been used by revenues for several other questionnaire based studies and is therefore familiar to all staff,
2. Built into the programme is a function which guarantees anonymity,
3. The data can be collected and analysed quickly,
4. As staff can complete the questionnaire on their own desktop this normally gives a greater returns,
5. The system is able to produce graphical interpretation of the data without the requirement for a further program,
6. The facility provides staff to complete the questionnaire quickly within a time frame of less than 10 minutes. This therefore reduce the operational impact on the revenues department,
7. The system is capable of dealing with large numbers of returns and is the best method available considering the numbers to receive the questionnaire.

The system however does have one drawback in that it does not allow for free format answers. However as the qualitative data would be produced by interviews with senior managers it was considered that the quantitative questionnaire approach would produce the required data in support of the research.

This approach also removed any restrictions on the sampling size for the questionnaire which would have been restricted by another approach. Using electronic medium to conduct the questionnaire meant that all staff within the sample group received the questionnaire which was completed on line. This removed the need for manual intervention and greatly reduced the time required by staff to complete the questionnaire and analysis time was also reduced as many of the graphs and calculations were completed by the SharePoint software. The sample group consisted of 42 staff which represents all front line staff within the revenues department. The questionnaire itself is divided into three sections. Firstly the opening section looks at the operation of the appraisal process. This is significant in order to discover if the operational requirement for the delivery of appraisal to staff from senior officers is consistent and in accordance with the LDL procedures. It is the perceptions of how the staff receiving the appraisal which is being examined and compared with the perception of the senior officers through structured interviews which will provide the comparative analysis.

The second element of the questionnaire reviews the abilities of the appraiser from the point of view of those being appraised. This seeks to address many of the elements discovered in the literature concerning the capabilities of the appraiser and to identify the weakness perceived by staff.

The final element of the questionnaire looks to discover if the staff understand the strategic significance of the appraisal process. Again, taken from the review of the literature, it is important that staff have a thorough understanding of the appraisal process and the significance of the appraisal for the strategic direction of the company. An understanding of the key goals and aims of the company is an important part of the process and the questionnaire will seek to discover if this is being communicated and explained.

The questionnaire are listed at appendix 5

3.3 Interviews

The interviews have been conducted with two key management groups. The first is the team leaders. This group of people are responsible for the deployment of appraisal systems and the analysis of the outcomes. They are at the very heart of the appraisal process and are instrumental to the success or failure of this part of the performance management agenda. It is this group who deliver most of the appraisal interviews or Keeping In Touch (KITS) interviews and are therefore the staff who influence the procedure the most. The interviews are structured in way which to develop on the literature, in particular, commentators such as Marchington and Wilkinson (2005) who noted that appraisers may be embarrassed about raising sensitive or confrontational issues and Barlow (1989) in suggesting there may be hostility to the process given that it can act as conduit for general complaints.

The second set of interviews was with the top managers in the revenues department. These managers have the responsibility for the strategic direction of the revenues service and communication of the vision and goals of LDL. It was important to understand how they considered the appraisal system should convey the key goals of the service, but also importantly how they viewed the benefits overall of the appraisal process. Their own perception of the appraisal system is an important part of the research and whether there is consistency of approach and delivery of appraisals.

The interviews were conducted in a private office and were taped with the permission of the interviewees. The interview questions were open which allowed for expression of opinion and the average timings for the interviews was twenty minutes. The interview questions and responses are listed in appendix 6.

3.4 Ethics

This study applied high standards of ethical research for the protection of the researcher and the participants of the research. As this in the main was a qualitative research study it was important that those who were subject to the interview process had confidence in the integrity of the researcher. This research complied fully with the following ethical considerations;

1. The research was undertaken with integrity and quality. Information received from participants was accurately recorded and not embellished or changed in any way,
2. The researcher ensured that no harm or injustice to any of the participants would result from the research,
3. Participants in the research were informed fully about the purpose, methods to be used and possible use of the research,
4. The confidentiality of information supplied by the participants and their anonymity is respected,
5. All research participants participated voluntarily free from any coercion,
6. Research material both secondary and primary has been retained securely for further scrutiny if required,

The principles above were strictly adhered to throughout the research. Further guidance was also taken from the Belmont Report 1979.

Further to this the researcher ensured that all materials used from other sources are correctly attributed within the body of the text and full accreditation given in the bibliography.

4. Findings

The research has used a number of data collection methods both primary and relevant secondary information. The information presented in the chapter is in support of the research questions concerning performance appraisal. Many of the findings are shown below graphically and in text with an explanation to their importance for the research. The full research data will be listed in the appendices.

From the analysis of the data the following chapter will draw conclusions and the implications of those conclusions. This will also lead into the final chapter of the study which will be the recommendations. Throughout this chapter reference will be made to the conclusion which follow in the next chapter

The research identified three primary methods of data collection in support of the research question. These were;

1. Structured interview with senior officers and senior managers
2. Questionnaire to all front line staff
3. The use of secondary data available to LDL.

The methodology for data collection was a mixed method approach using both quantitative and qualitative primary data. This was achieved by the use of a questionnaire to all front line staff and a structured interview approach. The interviews were informal and structured around the research question. The questionnaire was deployed electronically through SharePoint software.

The third source of data is secondary data received from previous studies done within LDL which looked at elements of staff satisfaction and training requirements within the revenues department. These provide a further contribution to the research as they identify behaviours that need to change and training requirements that had been identified. This is then used as comparative data against the primary research to ascertain if the appraisal system addresses these issues. This secondary data in particular has assisted in providing information to help explain two specific areas of the research question. Firstly in analysing the effectiveness of the appraisal system the secondary data provides evidence of specific requirements which should be addressed within the performance management framework. Secondly the effectiveness of communication and staff perceptions of the management of poor performance were highlighted and analysed as part of the Kenexa survey. This was

an LDL wide survey however the revenues section is reproduced with the percentage data for the average and specific to revenues. This further helps in two ways in that it give a score for LDL as whole and were improvements need to be made provides revenues with information for a gap analysis between current performance and the LDL mean average.

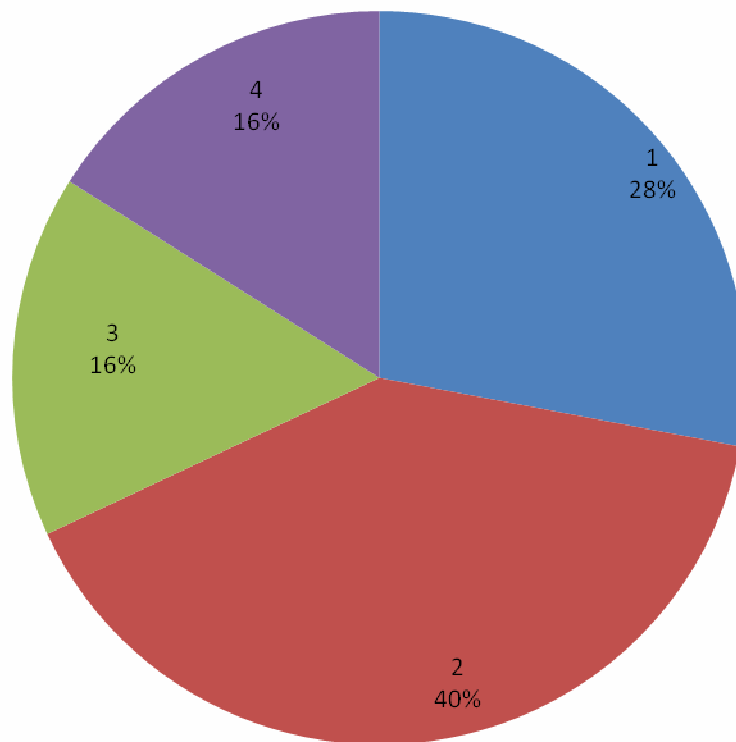
4.1 Secondary Data Skills Matrix

An analysis of the training requirements within the revenues department was undertaken using a Skills Matrix approach. This was a questionnaire type survey deployed to all staff using SharePoint software. Completion of the questionnaire was considered to be essential in order for the service to understand the training requirements and budget implications. The Head of Service for Revenues instructed that all staff must complete the questionnaire which therefore captured all front line processors. The benefits of this date to the research are that it identifies training requirements within the service. One of the purposes identified by Edmonstone (1996) is the identification of individual training needs. It is therefore important to identify that training is required and then link this back to the individual training plans which the appraisal system should identify. If these plans do not exist then the examination of the appraisal process can be targeted around this area.

But this should not be considered as a single one off activity. In order to derive a true benefit from the process the skills matrix is repeated every quarter. By this an analysis of the results from implementing policies from the previous matrix can be reviewed. The benefit for this research is the information the skills matrix identifies concerning the training needs. If one of the benefits of the appraisal system is to identify training requirements of the individual then is there a correlation between training needs identified as part of the appraisal system and those recognised as part of the skills matrix.

The study was conducted by examining all processes within the revenues section then asking staff on a scale of 1 to 4 with 1 being the highest score to assess their ability to undertake the individual process. Reproduced below is a pie chat representation of all the responses received.

Training Requirements for Revenues 2008



(Fig 3)

1. Fully trained staff- are capable of performing all tasks assigned,
2. Require some upskilling- can perform all tasks assigned but need some training to be more confident,
3. Require some formal training- can perform many of the tasks but need some formal training on specific areas,
4. Require extensive re training- require extensive retaining on all aspects of work.

The results indicate that only 28% of staff at the time of the survey where fully trained and that 72% required some sort of training. The chart demonstrates 16% of staff requires formal external training with the remainder of the training requirements being deployed within the service.

4.2 Kenexea Staff Survey Results

The Kenexea survey is an independently evaluated questionnaire which examined the attitude of staff to a range of topics identified as vital to the success of LDL. The survey was conducted in July 2008 and was deployed throughout LDL with the following areas covered;

1. Employee engagement
2. Manager effectiveness
3. Communication
4. Recognition and rewards
5. Involvement and belonging
6. Growth and development
7. Future and vision
8. Quality and diversity

The results were further separated down into each department and the results for the revenues service are reproduced below. This offers a further important source of secondary data as much of the material is also important in the analysis of appraisal and performance management. The importance of employee engagement, manager effectiveness and communication has all been discussed within the literature review and also forms an important part of the primary data.

The full results of the survey are shown at appendix 7 however drawn from these results and shown below are the most relevant parts of the data as applies to this research. These are areas of manager effectiveness and communication which are which have previously been examined as part of the research. Although not directly linked to the appraisal process as part of the survey they are indicative of a performance management process which engages with staff. The link is that the scoring achieved is a reflection of the success of failure of the communication and engagement practices which include the performance appraisal process.

This survey data not only provides information on staff attitudes but importantly for the revenues service demonstrates where there are gaps in performance between the LDL average and revenues.

The information from the survey is considered in more detail at chapter 5

Staff Survey

Survey Statements	Revenues Score			Average Score		
	% Favourable	Neutral	% Unfavourable	% Favourable	Neutral	% Unfavourable
My manager is an effective leader	48	22	30	67	19	14
Overall, I feel a good job is being done by my immediate manager	65	14	21	72	18	10
Communication						
My manager clearly communicates what is expected of me	49	27	24	71	19	10
My manager is an effective listener	53	21	27	72	18	10
My manager effectively communicates LDL's goals and objectives	46	21	33	64	23	13
My manager provides me with recognition or praise for doing good work	45	27	28	65	21	14
My manager provides me with timely and helpful feedback	29	38	33	61	24	15
My manager deals effectively with poor	25	22	43	44	35	21

Survey Statements	Revenues Score			Average Score		
	% Favourable	Neutral	% Unfavourable	% Favourable	Neutral	% Unfavourable
employee performance						
Involvement and Belonging						
My manager really cares about my well being	46	30	24	64	23	27
I am involved in all decisions that affect my work	40	27	33	50	25	25
I am encouraged to develop new and better ways of doing things	36	29	35	60	22	18
Growth and Development						
LDL provides me with opportunities for learning and personal development	35	21	44	48	25	27
I have the training to do my job effectively	38	30	31	51	26	22
My manager has made a personal investment in my growth and development	16	43	41	39	36	25

The survey has produced interesting and relevant data for this study. Asked if staff considered that their immediate line manager was an effective leader only 48% of staff in revenues answered this positively. This compares unfavourable with the LDL average of 67%.

The survey also asks a more general question of whether staff believe their manager is doing a good job. This receives a favourable score of 65% which is only 7% down on the LDL average. This would indicate that staff have a different view between the ability to do the job as they perceive and leadership.

Communication is also studied by the survey and provides some disappointing results for the revenues service. When asked if their manager provided timely feedback only 29% were positive. This as noted by Edmonstone (1996) is an important element of the appraisal process which influences the success of the process. The impact of this is considered with the primary data in more detail in chapter 5.

Other elements of the communication process also score low marks for the revenues service. In particular asked if their manager provides recognition and praise 45% answered this positively compared to 65% for the LDL average. There is also a similar result for the communication of the vision and goals with 46% giving a positive response.

Two further responses also have direct significance for this research in that they are elements which have been highlighted in the literature as being essential for an effective appraisal system. Revenues staff were asked if they and sufficient training to their job effectively. Only 38% of staff answered this positively. This will also be compared to the data from the skills matrix in chapter 5. Linked to this question is whether staff considers their manager has invested in their growth and development. Only 16% of staff from revenues answered this positively.

Further reference is made in chapter 5 to the survey in support of the conclusions drawn from all data sources.

4.2 Primary data questionnaire

The questionnaire was sent out to 42 frontline staff from which 35 replies were received. This represents 83% of the target group. The primary objective of the questionnaire was to

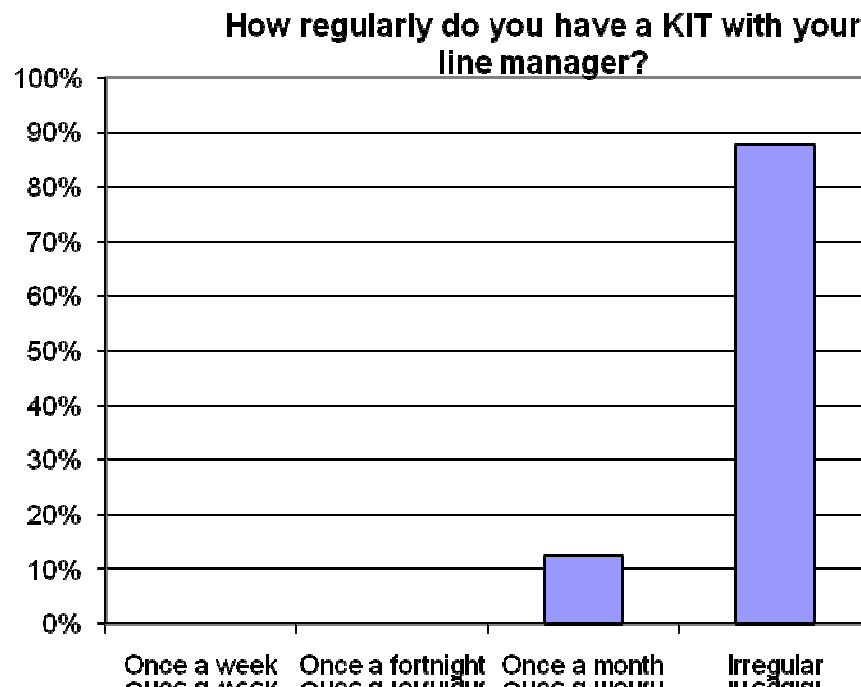
investigate if the statements made by managers were reflected in their own experience. The questionnaire has been used to support or contest assumptions and arguments made by managers in various areas.

The answers to the questions posed are represented graphically below. The full data is reproduced at appendix 6. The questions asked are also linked to the interview questions asked of the senior managers in order to establish a link between the frontline staff experience and the assumptions and arguments made by managers. This either reinforces the managerial argument or raises questions concerning the information received and the experience of staff. Potentially the dichotomy between the two identifies an area of weakness which will form part of the recommendations in chapter 6.

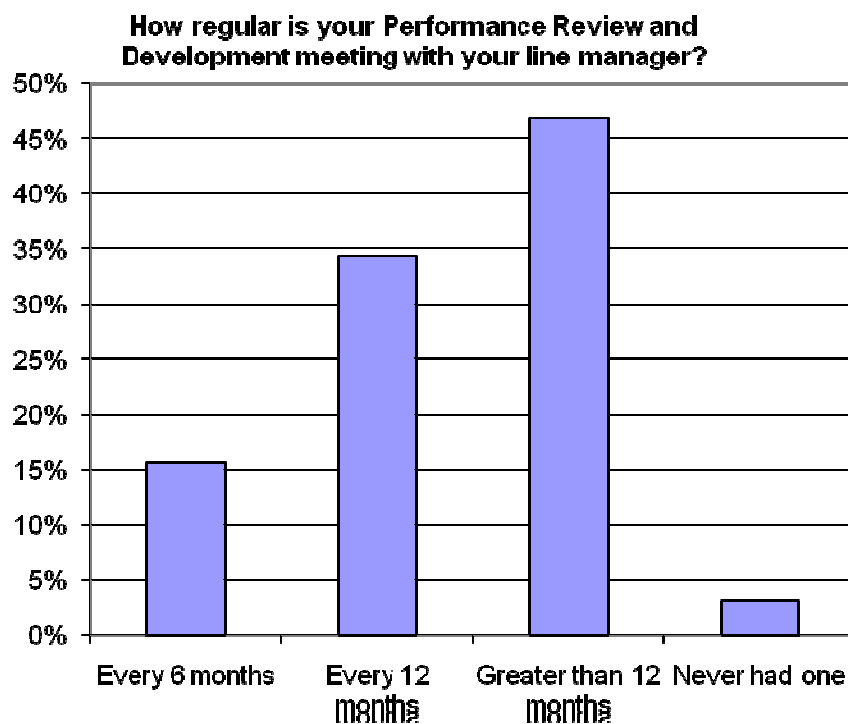
Although essentially the questionnaire presents a mixed method approach with the primary data coming from semi structured interviews the data received from the questionnaire supports this approach. The information is in certain areas in direct contradiction to the information received from the interviews with senior managers. This is analysed in more detail in Chapter 5.

The questionnaire identified that the front line staff within the revenues section are a stable workforce with over 93% having been with the service in excess of 10 years. This in itself has a bearing on the perception of senior officers to the capabilities of staff which is further explored within chapter 5.

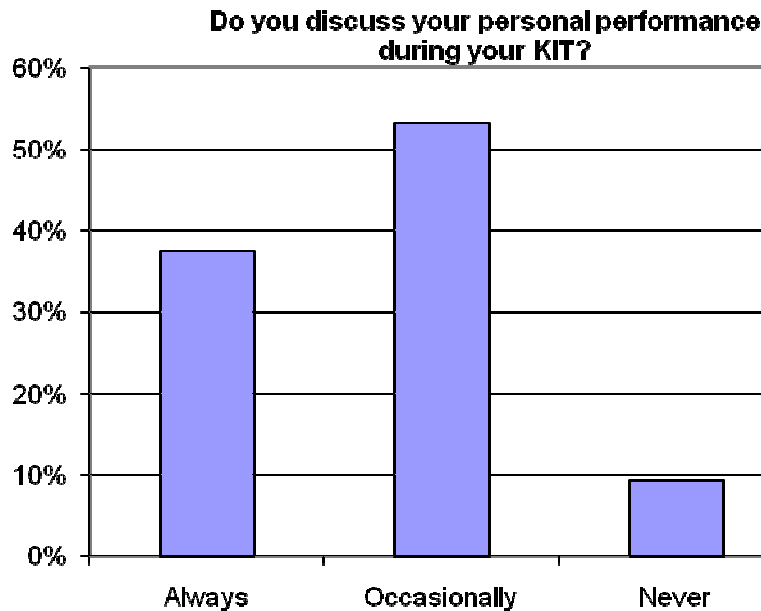
Staff were also asked how often they have their KITS and PRDS. This is an important question as it identifies the frequency of appraisals and therefore the importance that senior managers place upon them.



The table indicates that 89% of staff does not have a regular KIT which can be contrasted with the information provided by managers from the interviews.

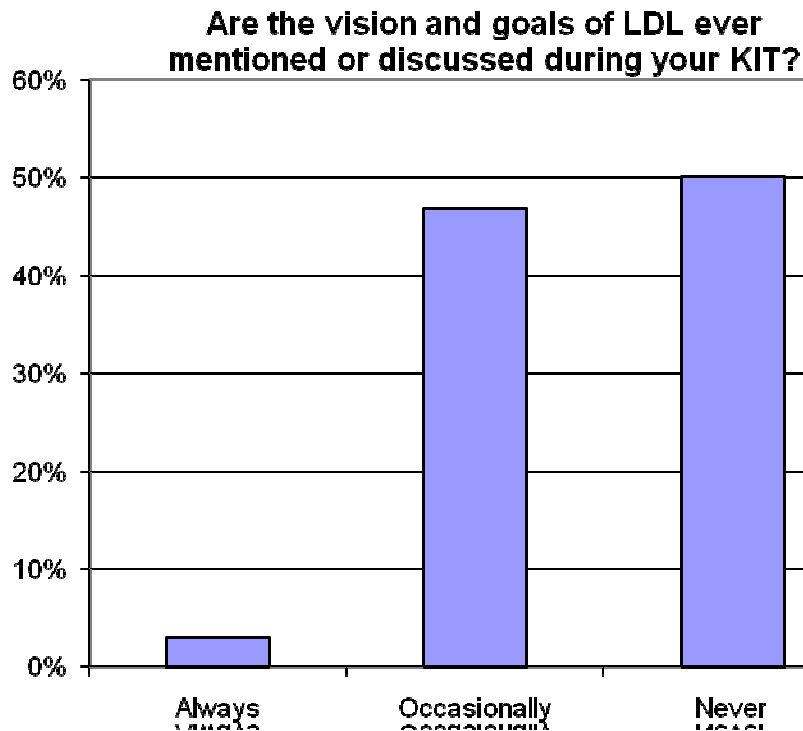


The PRD process for LDL is an annual event which can be seen from the documentation at appendix 4. This data indicates that over 50% of staff considers that their PRDS are greater than 12 months or they have ever had a recognised PRD.



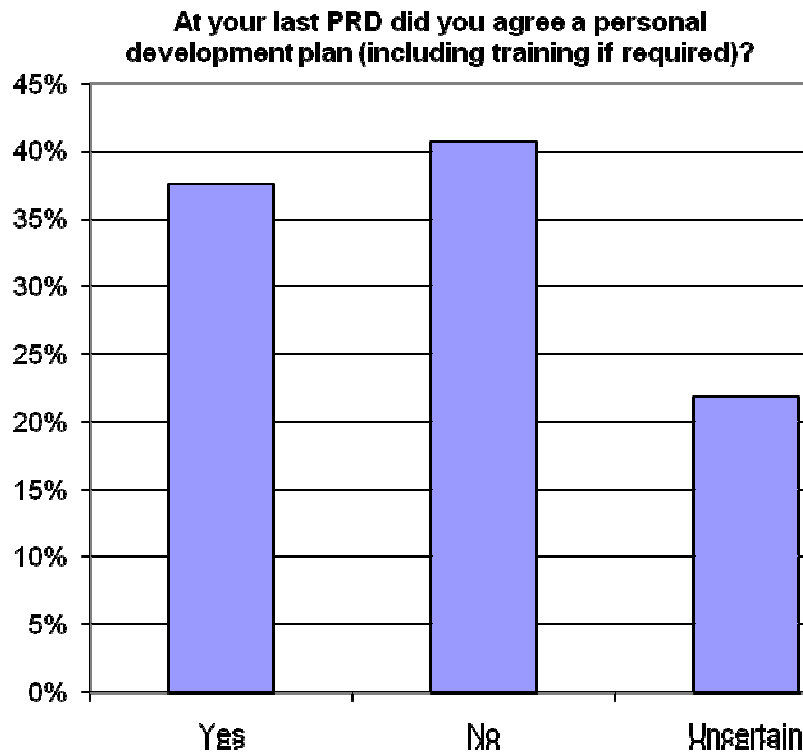
The literature explored the importance of performance and its relevance to the appraisal system. Armstrong (2006) saw the discussion of performance as vital to a successful appraisal system however according to the information from the questionnaire only 38% of staff consider they always talk about their performance with 52% only occasionally.

Also considered is the information communicated at KIT and in particular the vision and goals of the organisation.



Armstrong (2006) identified the organisational goals as one of the key communications within an appraisal. However the evidence here is that only 4% of staff discusses this at each KIT. Further 50% of staff considers that their line manager has never discussed the vision and goals of LDL at their KIT.

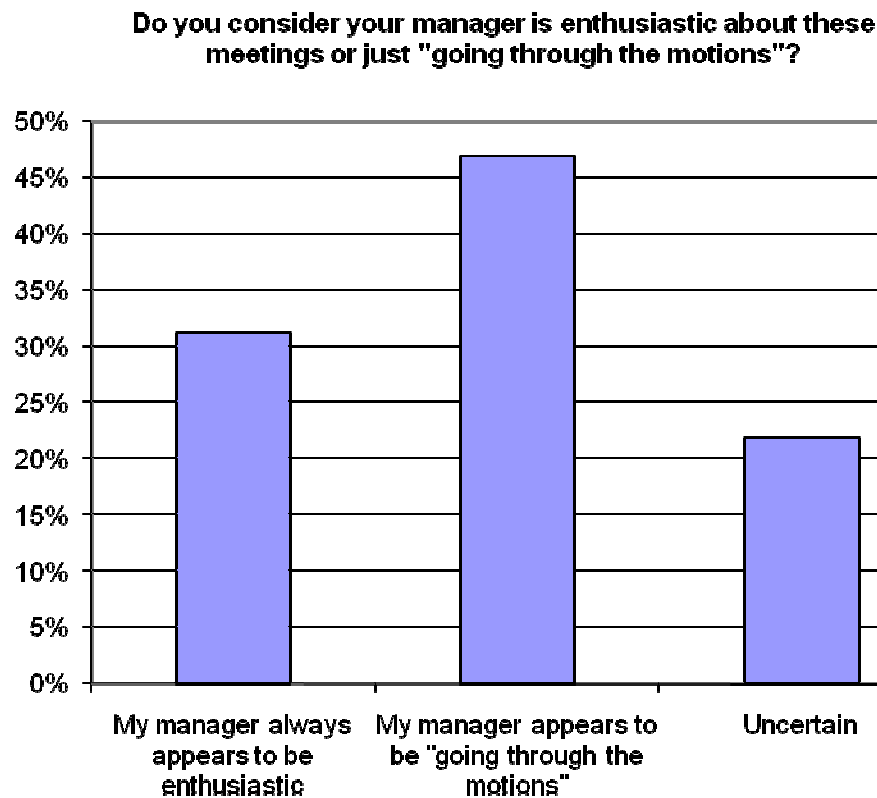
Staff were also asked if they were aware of their own individual targets. The results indicated that the majority of staff, 68%, understood their individual performance targets. However 32% of staff either do not know their individual targets or were unsure of what the target should be.



Armstrong (2006), states that one of the primary functions of any appraisal process is personal development. The responses above to this question indicate that over 63% of staff do not consider that they have been given any personal development plan or are uncertain to having any plan. This leaves only 37% of staff with the understanding that they have in plan an individual personal development plan.

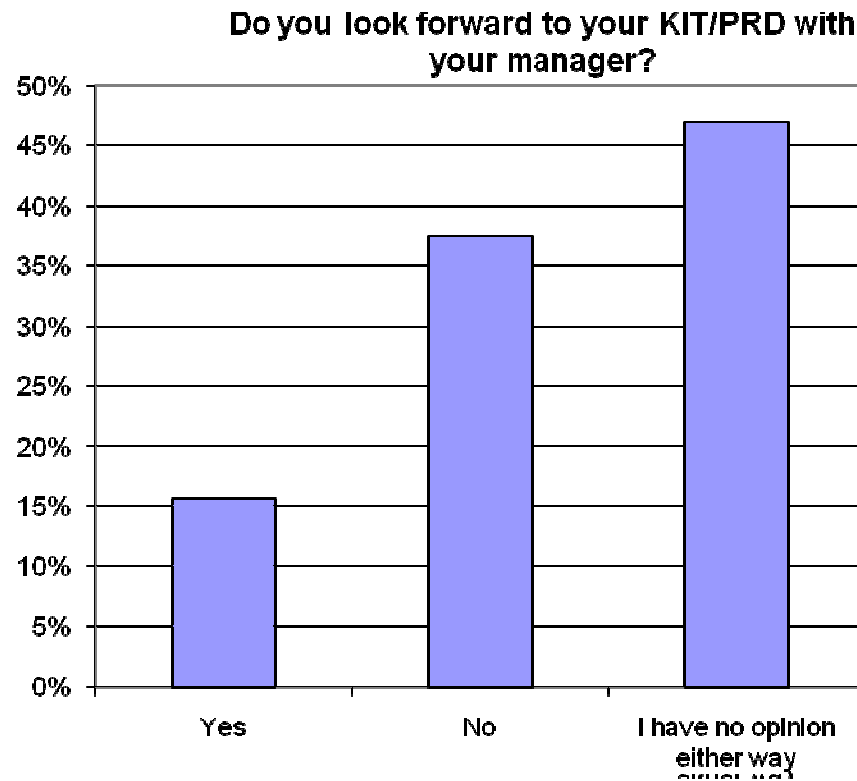
As well as looking at the content of the appraisals the questionnaire also considered how the appraisals were conducted by the senior officers. Staff were asked if they considered that the interviews were conducted in a relaxed and friendly manner. This received a very positive response with 88% of staff considering they were conducted in a friendly manner.

Following on from this question staff were asked if they considered that their managers were enthusiastic about the appraisal. The results are shown below.

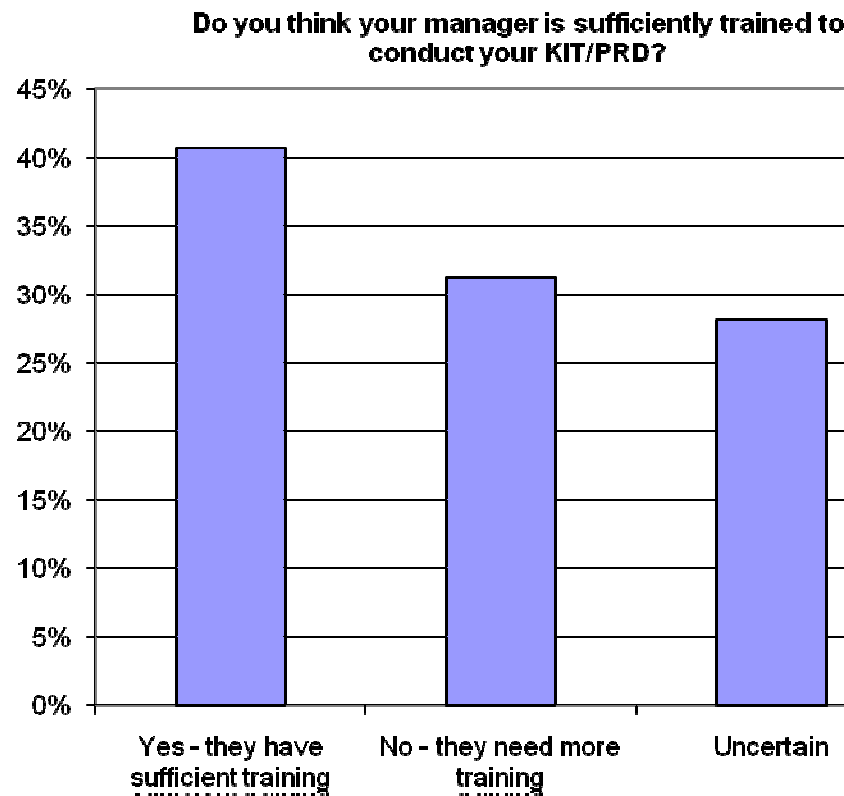


This question considers the ‘buy in’ from managers who conduct the appraisal. Staff perception here would seem to indicate that over 46% consider that managers are not enthusiastic about the process and only 31% considering they were enthusiastic.

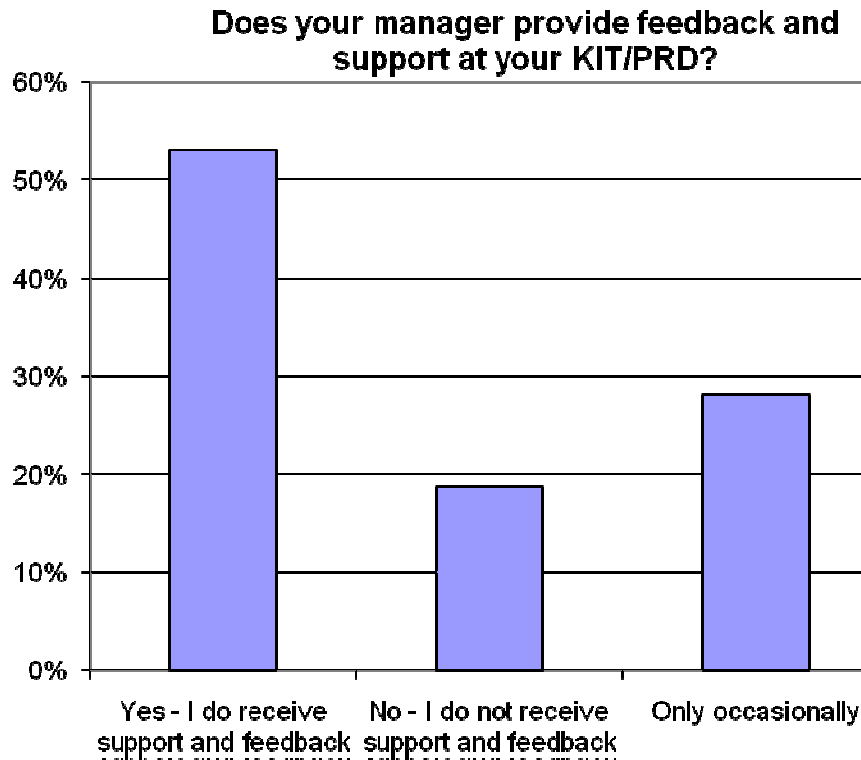
Staff were then asked if they looked forward to their appraisals. This question is designed to consider if a link can be established between the conduct of the appraisal interview by the senior manager and the approval of staff.



Only just over 15% have indicated that they look forward to their appraisals. This is compared to the results in the previous two questions within chapter 5.



This again looks at the perceived conduct of the appraisal from the front line staff perspective. It considers staff perceptions of the ability of managers to conduct the appraisal process. Over 30% consider that more training is required with only 41% believing that they are sufficiently trained.



Feed back in the process is essential (Edmonstone, 1996). The responses show that 47% of staff either do not get feedback or only occasionally. This result may also be reflected in the results of the question which asked if their appraisal had helped them do their work better. The results showed that 75% of staff did not consider that the appraisal system helped them do their job any better.

Further to this the question was asked if believed that the regular appraisal with their managers and helped with their relationship with their manager. Only 23% considered it had improved the relationship with 69% claiming it had had no impact either and 8% believing it had made the relationship worse.

4.3 Semi Structured Interviews

The qualitative interview data was collected from 6 separate interviews designed around a semi structured approach. The interviews were split into two groups these being senior managers with responsibility for sections or departments and senior managers with group responsibilities. The reasoning for this distinction was to gather data from managers having reasonability at a higher departmental level and involved in strategic decision making and those managers at the lower group level but who have more responsibility for the deployment of the appraisal process.

All interviews were recorded with the permission of the manager and took place in a private office. The recorded interviews themselves have been notarised and are shown in full at appendix 7. In addition two data grids which list the questions for the separate groups and the pertinent points noted from the interview have also been created for ease of reference. This enables the similarity of responses to be noted from each question and the development of a pattern response or theme to be interpreted. Similarly the variance between answers are also noted and further commented upon within chapter 5.

Each group had a slightly different questionnaire reflecting their responsibilities and seniority within the revenues department. However from the answers received it is possible to establish themes and difference between the two groups concerning the research question which is further explored in chapter 5.

Each interview lasted between 25 minutes and 60 minutes in length. The notarised notes have been shown and agreed with respondents and are anonymous.

5. Implications and Conclusions

This chapter brings together all the elements of the research which give support to the examination of the research questions and assists in the conclusions. Comparative analysis is drawn from the information in the literature review and the data received from the primary and secondary sources as shown in chapter 4.

In the considering each research question separately the intention is to provide the reader with the detailed analysis of the data from which conclusions can drawn with evidence to support the findings. Further to this the implications are also explored in how they relate to the research question and the consequences to the revenues department. This will then lead into the final chapter which will consider recommendations to address the areas of concern identified within the conclusion of this chapter.

5.1 Effective Performance Appraisal

The objective of the research was to understand contemporary thinking on the constitution of an effective performance appraisal process as part of performance management within organisations. Further to this was to consider if the same elements existed in the appraisal system deployed by revenues.

The literature provides information on the function of the appraisal process and the elements they should contain to make them effective for the organisation. Armstrong and Baron (2007) describe the objective of performance management as deriving a capital advantage from the human resource available to the organisation. This will be established by developing a high performance culture were the employees continually attempted to improve the business (Robson 2004).

Armstrong (2006) further described this as a tool for looking forward for what individuals need to do in the organisation. Caruth and Humphreys (2006) considered that the appraisal system must be integrated within the strategy and needs of the organisation. A theme within the literature was the requirement for communication. Armstrong (2006) explained that the appraisal system must communicate important messages to be effective. These included the roles and objectives of the individual and the strategic goals of the organisation and a focus on outputs, behaviour and provide feedback to the individual. This is a strong feature of effective appraisals in that it is the human interface between the appraiser and appraisee which is essential to the success of the process.

Further elements were discussed by Bolce and Kilner (1997) who considered that the most successful systems were formalised and embedded within the organisation. This is an important feature as it indicates how important the appraisal system is to the organisation. The more the system is considered as an essential element of staff development the more structured and regular they become within the organisation (Bach, 1998).

Standard measures are also an important element if the appraisal is to have true objective meaning (Sale Agency Management 1999) with quantifiable objectives. This was further emphasised Marsdon (1999) who considered that without standards being a part of the appraisal process it will not be considered effective.

The literature also defined feedback as another essential element of the communication process. O'Reilly and Anderson (2006) stated that this was a critical part of the performance appraisal and Lee (2005) stating all employees have a need to know how they are performing. We can draw from the literature the elements considered most beneficial to an effective performance appraisal;

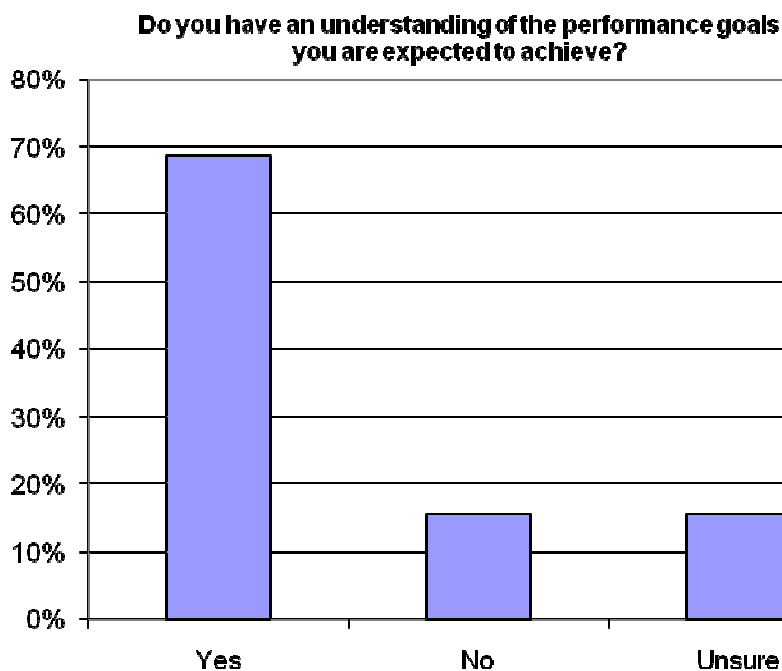
1. It must effectively communicate goals and objectives of the individual
2. It must be embedded within the organisation
3. It must provide timely and relevant feedback to the individual
4. It helps the organisation and the individual look forward
5. Appraisal should help employees continually help the business.

If we have an understanding of those features of an appraisal system which make it most beneficial to the organisation it is important to review the primary and secondary data to establish if they are also present in the system deployed by revenues. The element of effective communication is important for relaying information concerning the organisation and providing valuable feedback on performance to the individual. The Kenxea survey specifically looked at this area and produced the following results for the revenues service;

		REVENUES			LDL		
		Favourable %	Neutral %	Unfavourable %	Favourable %	Neutral %	Unfavourable %
10	My manager clearly communicates what is expected of me	49	27	24	71	19	10
12	My manager effectively communicates LDL's goals and objectives	46	21	33	64	23	13
13	I know what the values are of LDL	54	29	18	76	18	6

The data from the survey identify several communication areas. The first is asking if managers communicate the performance standards expected of the individual. The results show that only 49% of revenues staff answered this favourable. This is compared to 71% as the average for LDL. This would indicate that the key message of performance requirements is only being effectively delivered to half the staff. But this issue is more worrying for revenues service in that the average is 22% lower than the LDL average.

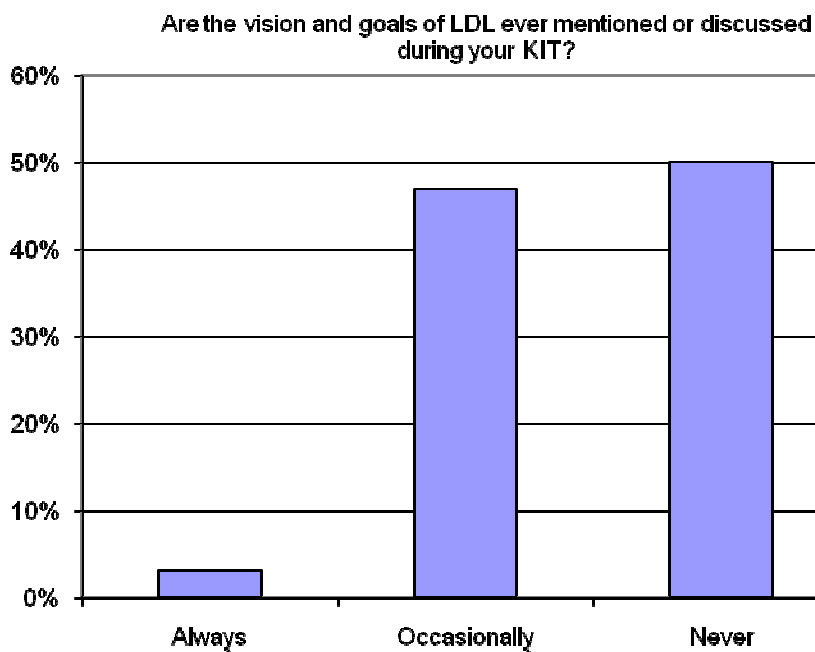
However contrast this with the results from the staff survey,



This indicates nearly 69% of staff understood the performance goals they need to obtain. This is an 18% better score than the Kenexa survey and only 2% behind the LDL average.

A possible reason for the discrepancy in the results is the time difference between the two. The Kenexa survey was conducted in July 2008 and the front line staff survey in April 2009. Improvements in this element of the communication may well have resulted from earlier analyses of the Kenexa survey. However the results from the more recent front line staff survey still indicate that 31% of staff do not consider that performance standards have been communicated. As Marsdon stated (*op cit*) this is a key communication message which is crucial to effective performance appraisal. In essence nearly a third of all appraisals are ineffective as they fail to communicate the performance standards expected of the service to each individual.

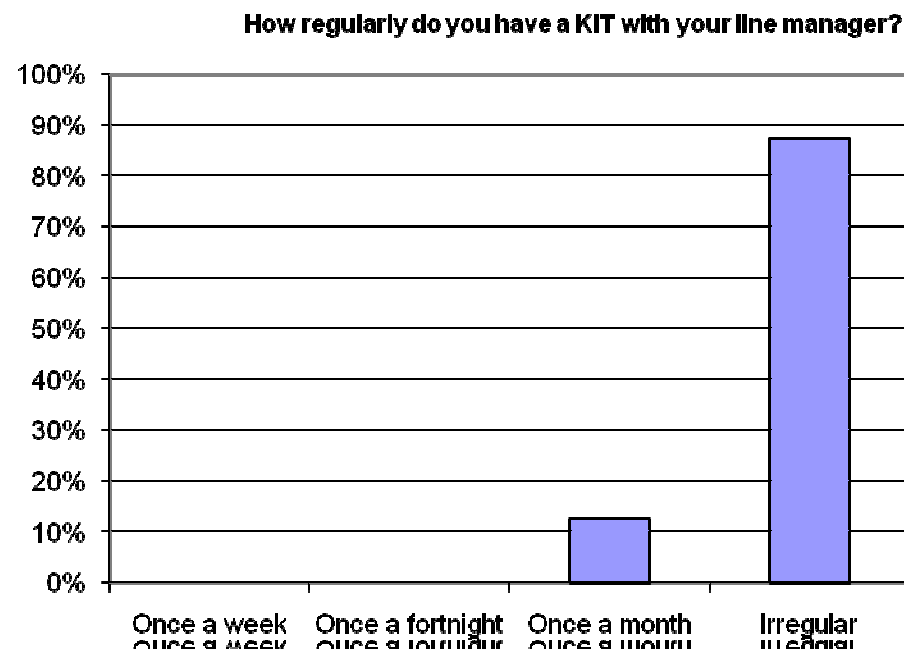
Another important element of the appraisal system identified from the literature is the communication of the vision and goals or the strategic goal of the organisation (Armstrong 2006). The Kenexa survey indicates that 44% of revenues staff did not provide a favourable response compared to only 19% for LDL as a whole. Again this can also be compared to the results from the staff survey.



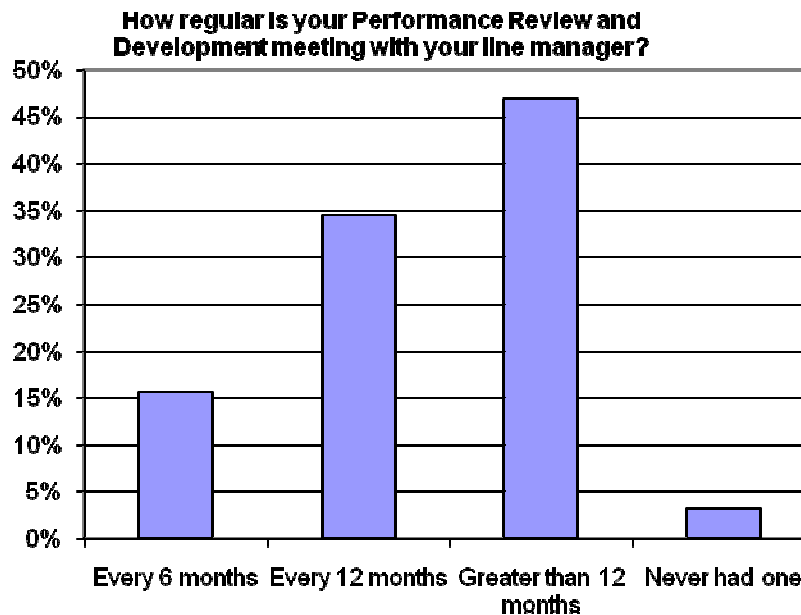
This suggests that 50% of staff never have the vision and goals explained at their appraisal. But this should also be compared to the previous question concerning

performance standards. It would appear that the communication of performance is being delivered to staff but the vision and values are not. This would indicate that that the senior officers delivering the appraisal are successfully communicating the key message of performance standards but are reluctant to communicate the vision and values of LDL. The impact of this is on the sense of belonging to the larger organisation. The vision and goals of the organisation are important elements to communicate as they set the organisation standard by which the organisation operates which should filter through to all departments.

Bolce and Kilner (*op cit*) suggests that the appraisal process should be embedded in the organisation. In this the appraisal should be regular and that staff should be fully aware when and where they will take place. However the data from the staff survey shows that the KITS are not happening on regular bases,



Nearly 88% of staff considered that their KITS were irregular. This would suggest that the commitment from senior officers is not as strong. On this evidence it cannot be stated that the appraisal process has been embedded into the culture of then organisation. But allied to this is the requirement for the annual PRD.



According to this data over 45% of staff have not had a PRD in over 12 months and 3% consider they have never had one. This again may reflect upon the prevailing culture within the organisation. This in essence is an undermining factor of the appraisal process. As Bolce and Kilner (*op cit*) suggested it is essential that the appraisal is embedded into the organisation. This is achieved through ensuring that the appraisals are held on regular bases and the time and location communicated to staff. Without this discipline they become more of an ad hoc occurrence which will not encourage buy in to the process from managers and staff. The evidence from the surveys would indicate this is exactly what is happening but this needs to be considered in comparison to the interview data.

The senior officers were asked if they understand the purpose of the appraisal. The literature defines this as the process of developing high performing staff for the benefit of the organisation. (Armstrong, *op cit*) However there developed in this response a clear distinction between the two elements of the appraisal process. The KITS which are the regular at least monthly meetings received a very positive response. One of the main purposes of the KIT identified by senior officers was the ability to resolve personal issues sometimes unrelated to work. In fact all senior officers interviewed identified this aspect of the KIT as being very important not only to the individual but also to them. This personal relationship was identified by Piggot-Irvine (2003) as something which should be developed in order to reduce defensiveness when dealing with difficult topics. However it was evident within the interview that the senior officers did not consider dealing with

difficult issues as an essential part of the KIT. They identified the need to focus on aspects of performance and indeed challenge poor performance if required but this was not considered to be a critical element. One senior officer described a KIT as a “chat with staff about anything”. The evidence above indicates that staff are aware of their performance targets but the interviews with their managers did not detect a consistency in challenging this performance if required. Performance was an issue which they believed could be mentioned outside the KIT. One manager expressed the view that they would not wait for a KIT to challenge performance but do this immediately. Similar expressions were made by other senior officers in the need to challenge poor performance quickly. The impression is that the KITS are tools to discuss performance and other personal issues related or unrelated to work. Their responsibility was to act in an adversary capacity and not to challenge performance or communicate the vision and values of the organisation. The staff survey supports this view as 75% of staff confirmed they discuss personal issues in their KIT. The impact of this is that it can dissolve the intended impact of the performance appraisal. The ability to assist staff in this way is no doubt important to both participants but the main drive of the appraisal should be targeted at individual performance and the feedback and advice managers can provide in support of this.

The most difficult aspect of the performance appraisal for senior officers was the PRD process. It was clearly identified by the senior officers that the PRD function was to establish training requirements and develop action plans for the following 12 months. However for all senior officers interviewed there was a great deal of negativity about the PRD. One identified the paper work as a problem and another indicating that the process was too formal. But they all considered that the greatest difficulty was that “they could offer nothing to staff”. In their opinion they could not provide any reward and given the long service of most staff job training was not required. Certainly the staff survey indicates that over 93% of all revenues frontline processors have been with the service for more than 10 years. However the skills matrix (fig 3) demonstrated that 72% of staff required some training. This distortion within these two conflicting figures may be attributed to what Bach (1998) described as the ‘halo effect’ in that they appear to attribute ability with longevity. One senior officer stated that “my staff have been here for ages and they know the job”. The impression is that training requirements is not properly investigated as part of the KIT or PRD due to the belief that this is simply not required given the length of service of the majority of staff. They do however identify training that staff would like but

this in most circumstances seems unrelated to work and when this is not agreed to develops the opinion “we cannot offer anything”.

None of the senior officers identified feedback as an element essential to the appraisal process. However they did see one of the main positive aspects of the appraisal process the ability to communicate with staff on one to one bases which encourages greater openness and understanding.

The researcher is left with the impression concerning these issues that the senior officers who deliver the appraisals enjoy the informality of the KITS but are resistant if not hostile to the PRD process. The KITS however have no formal structure and may have developed in many circumstances into a ‘friendly chat’ rather than an objective process to deliver service improvements. None of the senior officers interviewed mentioned the difficulty in dealing with problem situations. This in part may be due to what Barlow (1989) termed as conflict avoidance in that senior managers fail to challenge employees on issues they know may be sensitive or which may cause strong disagreement.

The senior officer resistance to the PRD process may well explain why 48% consider they have either never had one or has been greater than 12 months. However they all strongly recognise the requirement to address performance but there is no clear process of how this is addressed within the appraisal.

In contrast to the senior officers the senior managers had a different perspective concerning the part performance appraisal. One of the key aspects identified was the need for communication. One manager described them as ‘crucial’ for the communication of the operational plans and any changes in the office which may affect the individual. The ability to discuss personal issues was also seen as an import facet which mirrors the senior officers. Managers also see this as a process which would embed the vision and values of LDL with the individual.

The interesting aspect of the responses is that senior managers see the appraisal process as continuous process in that they make less of a distinction between the PRD and the KIT. They see them as feeding into each other with the KIT defining performance which then developed into a plan within the PRD. This is in direct contrast to the senior officers who did not make the link between the two but seen them as two distinct separate processes. A

common thread is the requirement for communication but the emphasis with the senior officers was on personal issues and performance while the senior managers considered performance and the communication of the vision and values of LDL.

There was a clear dichotomy between the senior officer and senior managers regarding the essential elements of an effective performance appraisal. The literature advises on the elements which should be present which was replicated by the senior managers in identifying communication, vision and value and feedback. However this is not the same notion of performance appraisal as practised by the senior officers. There has been no feedback or communication with staff to establish if the belief in the correct procedure has been practised by the senior officers.

The senior managers have been content in the knowledge that the appraisals are being done but have not investigated how they are being done. This had led to a difference of opinion between the two sets of managers which has allowed for one part of the process to become resented by senior officers which could have been addressed if senior managers have had the knowledge of the difficulties being incurred.

5.2 Performance Appraisal in Revenues

A further consideration for this study is to consider if an effective appraisal system is in place within the revenues section which is understood by both managers and front line staff. The research also considers elements which contribute to the effectiveness of the appraisal system.

Foster (2000) considered that in order for the appraisal to be truly effective it should set obtainable but challenging goals. Adversely setting unobtainable performance measures can have an adverse effect on staff. Additionally there is a requirement according to Marsdon (1999) to consistently measure performance accurately to ensure consistency and reliability which individuals can depend upon. This provides confidence in the appraisal system for staff and managers and enables individuals through the appraisal process to develop their skills to match the requirements of the organisation.

The appraiser should also develop strong interpersonal skills (Piggot-Irvine, 2003) in order to effectively communicate with the individual their performance targets and other relevant issues. Allen (1999) identified training of the appraiser as being critical to an effective appraisal process. The appraiser should receive regular training and update

relevant to the demands of the organisation. In this Allen contends that organisations are dynamic and their business objectives can be fluid and as such performance appraisal must reflect the changing business conditions. This can only be achieved by constantly reviewing and updating the appraiser.

Fink and Longenecker (1998) further identified several core competencies which an appraiser must have in order to conduct effective appraisals. These included coaching skills, employee development, conflict resolution and problem solving, observation and effective decision making.

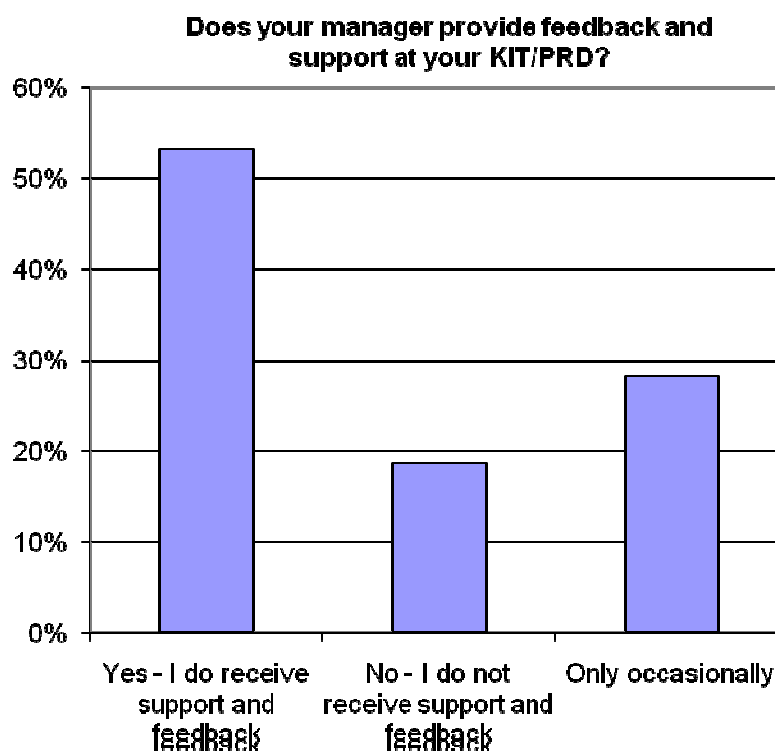
An effective appraisal system must also deal with the challenge of poor performance. Goodhew *et al* (2007) described this as the most challenging aspect of the performance management process. It is important that common standards of performance are understood and that staff are aware that the failure to meet these standards will result in further action to remedy the problem (Cunningham, 2001).

These are elements of the appraisal process which should be identified within the one deployed by revenues. Firstly the Kenexa survey provides some relevant information in identifying possible answers to the current effectiveness of the appraisal system.

Survey Statements	Revenues Score			Average Score		
	% Favourable	Neutral	% Unfavourable	% Favourable	Neutral	% Unfavourable
Communication						
My manager provides me with timely and helpful feedback	29	38	33	61	24	15
My manager deals effectively with poor employee performance	25	22	43	44	35	21
I am encouraged to develop new and	36	29	35	60	22	18

Survey Statements	Revenues Score			Average Score		
	% Favourable	Neutral	% Unfavourable	% Favourable	Neutral	% Unfavourable
better ways of doing things						
Growth and Development						
My manager has made a personal investment in my growth and development	16	43	41	39	36	25

Providing timely and accurate feedback is a common theme throughout the literature for an effective performance appraisal system. However within this study only 29% of staff answered this favourable. This can also be compared to the frontline staff survey which is shown below.



This has implications for the appraisal process as without proper accurate feedback staff will not be able to improve or understand the areas of concern for their performance. The staff survey indicated that 48% of staff considered that they either never receive feedback or is only given occasionally. O'Reilly and Anderson (2006) identified feedback as being vital to the communication activity of the organisation and further to employee development. Without the knowledge of where the possible issues are the employee cannot engage in self improvement. Training cannot be identified which may be important to the employees performance improvement.

Feedback was also an issue raised during the interviews with senior managers and senior officers. The senior officers never mentioned feedback as a consideration within the appraisal process. However they did consider the providing staff with information concerning their performance was an important element but this appeared to be a process of challenging staff on their performance and not formulating policies and plans to assist in self development or address possible training issues. It was also apparent as mentioned previously that longevity in the post was associated with ability and as such they did not see the requirement for providing feedback which would assist in personal development, training requirement or change of roles. A further question from the Kenexa survey would seem to support this notion in asking if their manager supports their personal growth and development from which only 36% answered positively.

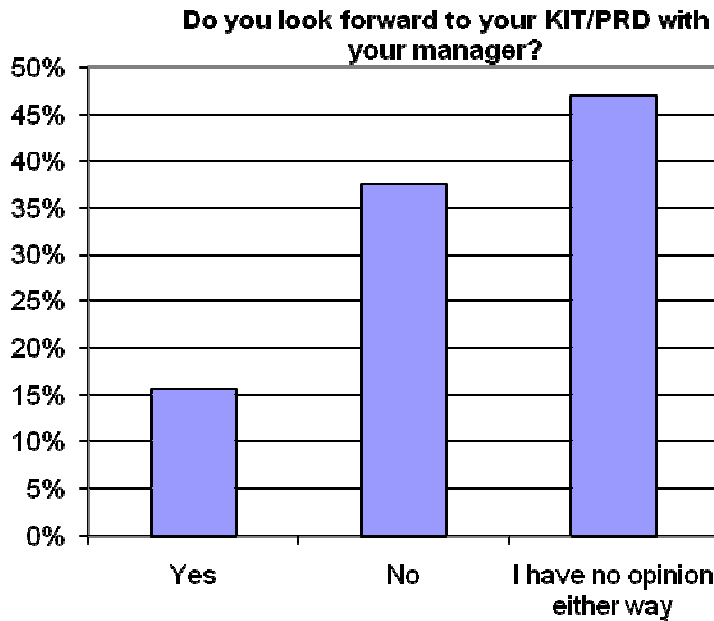
The senior managers were asked what feedback they receive from their senior officers. None of the managers could recall receiving any feedback. One explained that you may get some feedback if it positive. It was generally agreed that this is an identified weakness which needs to be addressed. One senior manager explaining that it was difficult to create training plans for staff when the requirements are unknown. The lack of feedback may also explain why there are no standard topics of communication to be delivered. It is simply that managers are not aware of what their senior officers have been communicating to staff as they have not received or requested feedback. This may also be an influence on the senior officers who have not been requested to give feedback themselves and as the staff survey demonstrates only provide limited feedback to staff.

Following on from this is to discover if the data can provide evidence as to why this important communication is not being delivered consistently to staff as part of their appraisal. Allan (*op cit*) identified training of the appraiser as a key element in an effective

performance appraisal. The staff survey question asked participants if they considered that their line manager was sufficiently trained to undertake the appraisal.



Only 41% of staff considered that they had sufficient training with 31% considering their managers needed more training with the remainder uncertain. This can affect staff buy in to the process. If they consider they are about to receive an appraisal from a manager they believe not to have the skills to perform the task then it is unlikely they will accept or agree with the information provided at the meeting. The appraisal begins to lose credibility with the staff and the benefits to the organisation are dissipated. This is also reflected in the question asking staff if they enjoy their appraisal.



Only 16% answered this question favourably. This contrasts with 37% being negative and 47% showing ambivalence. This affects the creditability of the performance appraisal with staff and managers. It is apparent that as only 31% of staff considers their manager sufficiently trained we have such a high proportion who express no opinion. If the staff lack confidence in the manager then they also will have the same negativity to the performance appraisal process.

The senior officers were asked directly if they had received sufficient training to do the job. The answer for all senior officers was that no specific training had been given had been given and that it was simply a job you acquired. One expressed this as “something you are expected to know”. The officers were not averse to receiving training and indicated that it may assist in picking up new techniques but it was not seen as a particular issue as they all consider they had the required competencies to perform the appraisal.

This view however can be sharply contrasted with the senior managers. They were asked the question if they had confidence in their managers capacity to undertake the appraisals. Two of the managers answered directly they did not have the confidence while another qualified the answer by stating that they may have the ability but they seem unable to deliver. One of the managers conceded that there was a problem with the process and stated that “...something should be done about it”.

Communication by all the senior managers was identified as an area of concern. Principally that they key messages the service needs to deliver on performance and

strategic goals of the organisation were not being communicated. However when pressed on this point the evidence in support of the contention was vague. It appeared to be a consensus opinion based around the general conduct of the senior officers. One manager commented “I know what their like.” without providing supporting evidence. This is similar to what Grint (1993) described as the horn effect which gives a lower assessment of the individual for completely subjective reasons. This is in contrast to the view that senior officers had of their staff which was a halo effect as mentioned above.

The research indicates that the staff and the senior managers have little confidence in the ability of the senior officers to deliver a meaningful and effective appraisal. The senior officers themselves consider that training in this area may produce some benefits and this was also alluded to by one of the senior managers. However the overall impression is that there has been a laissez-faire attitude to the process. Senior managers have allowed senior officers to conduct the appraisal process without guidance or feedback. It is therefore not surprising that they are failing to deliver key messages or receive staff ‘buy in’ to the process.

This leads to another question in considering if the senior managers and senior officers really believe in the process or are they simply doing what they are told to do without any real conviction. The question was asked of the frontline staff if they considered that during their PRD their line manager was just ‘going through the motions’ or where they enthusiastic. Only 31% considered their managers to be enthusiastic which may also as previous explained above why 88% of staff advised that their appraisal was not held regularly. Staff were also asked if they considered that the appraisal system through the KITS and PRDS had helped with their career prospects. The response was that 88% of staff considered that the appraisal did not help their career prospects at all and when asked if they helped them do their work better 63% said they had not.

The senior officer were asked the question if they considered appraisal just another element of bureaucracy. Again they broke this down into the two different appraisals. The KITS they considered had a real function in communication and resolution of personal issues. However the PRD process was described by one senior officer as “just another management exercise” and another as “just a tick in the box”. It was difficult to extract from the senior officers any sense that they could see any benefit to the PRD process. It was clear that they understood the principals but equally clear that they thought that they

were undeliverable. The problem which arises is that they may well be enjoying the KITS but the data from the survey indicates that there is no enthusiasm from the staff. This is an undermining feature of the process in that without the staff acceptance and contribution the benefits to be derived from the appraisal as identified in the literature cannot be realised.

The senior managers were asked if they considered that the senior officer were willing to do appraisal or do we compel them. The answer from all managers was particularly the PRD senior officers are compelled. In this they clearly understood that the PRD process was unpopular. One manager stated that “for some of the senior officers it was embarrassing” in that they were unwilling to raise issues which may course disagreement or conflict. This also reflects Barlow (1989) that given the possibility for conflict some managers are ambivalent if not hostile to performance appraisal. Another manager simply stated that they do not understand the PRD process and that this was an element of training which needed to be addressed.

Senior managers were also asked if they considered the appraisal process as just a bureaucratic exercise. The view expressed was that although they do not work effectively as they may it would be unwise to stop them. Managers see them as a conduit for employees to express their opinions as well as receive valuable communication and information on their performance. One manager expressed the opinion that “from the top down they need to see this being done but I don’t believe those at the top are really buying into this”. They also expressed the view that if appraisals are carried out properly they act as a development opportunity for staff. However they all expressed the view that they simply do not get enough feedback to make informed decisions or judgements on the process.

5.3 Conclusion

The overall impression is that the revenues service does not have a truly effective appraisal process. Many of the elements which make such a system such as effective communication, employee development and managerial buy in to the process could not be found. It is apparent that the senior managers do not have the confidence that the process is being undertaken correctly or that the senior officers have the capacity to conduct an effective performance appraisal. The evidence from the staff survey also indicates that the appraisal system currently deployed has weaknesses which need to be addressed.

There has been little or no recorded feedback either to staff or managers and although senior managers expressed a lack of confidence in the delivery of the appraisals there has been no action to correct this. Bach (1998) noted that managers are very seldom held to account for how they conduct performance appraisals which is the case within the revenues service.

This is not to say that a lack of commitment to deliver an effective performance appraisal was not present. Both sets of managers understood the need for effective appraisal and the benefits this would deliver to the organisation. However there was no evidence that measures had been taken to ensure this was being delivered.

The requirement for training of the senior officers was strongly evident from the staff response and the interviews with senior managers. This was not expressed by the senior officers themselves all of whom have over 10 years experience in the role and considered that training was not an issue. As cited by Harris (2001) the lack of training of the appraiser will often undermine the process and this is evident within the appraisal process for revenues. Senior officers have developed their own concept of the appraisal process which is inconsistent with the view held by senior managers. It is therefore appropriate to review their role and deploy training in order to establish consistency and a single view of the appraisal system. From this we also need to establish basic competencies which will be required by all managers providing appraisal feedback to staff.

The current LDL model for performance appraisal is centred on the annual PRD. This however is the weakest element of the appraisal process within revenues. It is this which gives most concern and must be addressed in order that the LDL performance appraisal model can be delivered effectively..

5.4 Limitations of Research

On reflection upon the whole of the study it is now evident that the research would have further benefited from some alterations to the approach. A weakness identified from the interviews was the assumption that the PRD process and the regular KITS would seamlessly be seen as one process in the performance management appraisal cycle. To the senior managers this indeed is the case with the KITS leading into the annual PRD. However it became evident from the senior officers that they viewed the two completely separately. It would be more beneficial to study the two processes as separately elements

of the performance management process and consider the weaknesses and strengths of each.

Although this study used quantitative and qualitative research techniques which certainly enabled more data to be collected within the time allowed the study would have benefited from more qualitative research. In depth interviews with the front line staff may have produced further clarifying data as too the perceived advantages of the appraisal system. To gather further information a staff forum approach using observational techniques may have provided further valuable data on behaviours and attitudes.

Further broadening the study into other departments within LDL would have produced interesting comparative data. The research at present looks at the revenues department but a contrast with other departments may have produced interesting results concerning the management within revenues as compared to other departments and highlighted weaknesses and strengths in the appraisal system. The differing attitudes of managers to the appraisal system from various departments may produce quality data on the correlation between managerial attitude to the appraisal system and perceived results and corresponding attitude of staff.

6. Recommendations

Following the research and consultation with the Head of Revenues several recommendations have been agreed two of which are currently in the process of being deployed within the revenues service. These have resulted directly from the research and have been agreed by all managers affected.

6.1 Training

A training program will be developed to address the deficiencies identified within this research. This will be deployed by the Learning and Development section to all managers who have a responsibility for providing performance appraisals to staff. This will involve an external provider as the whole of the management will be participating in the training.

The training will be funded from the revenues service training provision the cost of which has been agreed with Learning and Development.

The content of the training will be as follows;

1. Relationship between the PRD and KIT
2. The relevance of feedback to the appraisal process
3. Topics to be communicated during the PRD and KIT
4. How to deal with the issue of poor performance
5. How to reengage the staff in the performance appraisal process
6. The identification of training needs
7. Reward and recognition

The venue has been agreed and the date for delivery will be September 2009. However these will dependent the availability of the external supplier and acceptance of the developed training material supplied by Learning and Development.

After the training has been deployed quarterly refresher sessions will take place with learning and development to ensure that managers remain focused and receive the latest information to be communicated. These will also be linked to information received from staff surveys and forums in order to capture staff opinions and react quickly to possible training needs.

6.2 Staff Engagement

The staff survey indicated that there was little engagement from the staff in the appraisal process. In order to address this a staff forum chaired by a senior manager but not with the involvement of senior officers will be developed. A lead officer will be appointed and the first meeting is due to take place the first week in July. The forum will have an open agenda to encourage debate but will be guided to cover topics of interest.

The reason for this format is to allow staff to express their opinions without feeling under any pressure. The forum will be constituted under agreed guidelines with staff but this will include anonymity and confidentiality to allow staff to give full expression to their feelings concerning the appraisal process and other issues.

Those invited to the staff forum will be selected randomly from the staffing list and invited to attend. The location will be outside the office with two locations already identified. The forum will consist of six staff and one manager and will take place in officer hours.

Recommendation will be presented to the senior management team for consideration and if adopted will be communicated to all staff. By these methods we will seek to improve staff involvement and improve the 'buy in' from all staff in the appraisal process.

The cost related to the forum will be met from revenues budget contingency and has been identified and set aside for this purpose.

The staff skills matrix will also be expanded to ask questions in their experience to their KITS and PRDS. These will be undertaken every quarter with the results being analysed and feeding into the quarterly manager's refresher courses held by learning and development. By these measures it is anticipated managers will be able to react to information provided by staff quickly and also be more informed of staff perceptions of any changes made.

6.3 Reward and Recognition

It is proposed that a review of the reward and recognition process within revenues be undertaken and linked to the outcome of the PRD assessment. This is a diluted performance related pay in that staff will be rewarded for exceeding targets but these will not be of a monetary nature. Staff may be offered additional days leave through the flexi

system, concert tickets to the Liverpool Arena through revenues allocation or other rewards linked to their performance.

A formal proposal will be made to the senior management which will need to cover the cost of implementation but more importantly how the and when performance will be recognised. It is anticipated that this address one of the aspects of the PRD process by giving the senior officer the ability to reward staff for good performance.

6.3 Embedding the process

The research identified that staff were not having regular KITS or PRDS. The process will be formalised from July 2009 with the deployment of an online performance appraisal calendar. All KITS and PRD for all staff will be entered into the calendar with the manager to give the appraisal attached to the staff member. After the meeting should have taken place an e mail will be sent to the member of staff for confirmation. If the meeting did not take place the will be raised with the senior officer at their KIT.

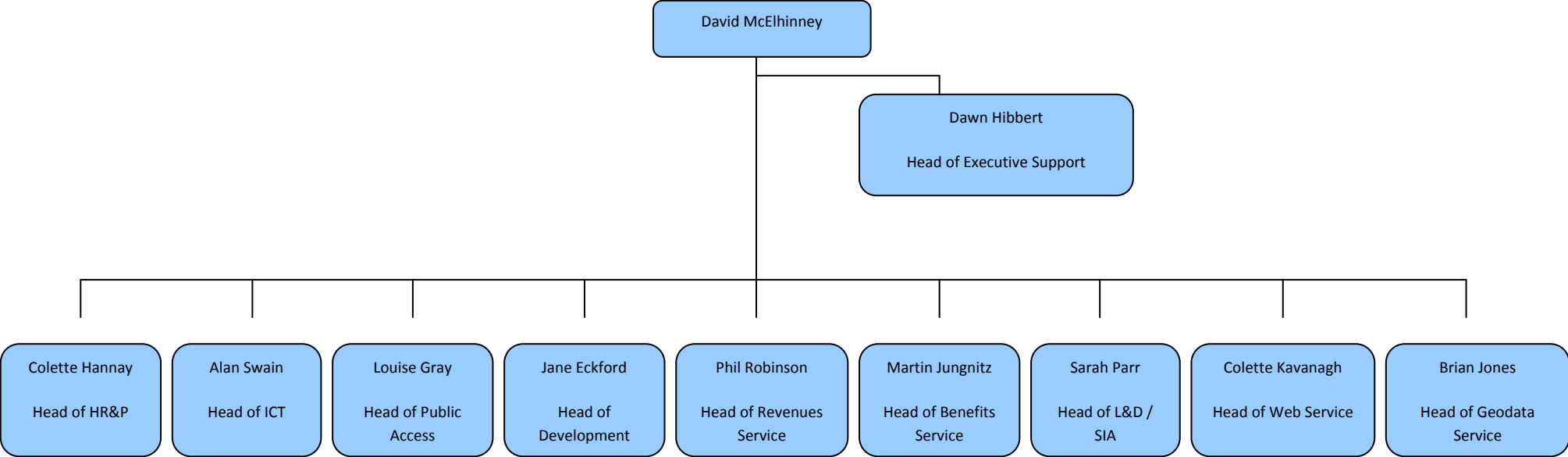
The calendar will be produced in SharePoint with access to all staff given to senior managers, senior officers will see their staff and staff members will see their own interview dates. There will also be the facility to place minutes of the meetings or relevant notes. These can be restricted to the appraiser and appraisee.

The system will be developed by the revenues Management of Internal Systems (MIS) section. The key skills required have been identified and the manager will produce a Project Initiation Document (PID) which will identify costs and time allocation.

Further a standard form will be agreed with senior officers which will be used at all KIT meetings. This will have set agenda items which are to be discussed with staff at all meetings in order that the key messages are always discussed as well as allowing for general discussion. Part of the form will also be used to identify themes through the year which will be the form part of the PRD process. This will then establish the link between the PRD and the KIT and give more meaning to the process.

APPENDICES

Appendix 1 Structure



**EXECUTIVE
BOARD**

10th NOVEMBER 2000

PRESENT: Executive Members

Councillors

Councillor Mike Storey OBE,
(Chair)

Councillor Frank Doran

Councillor Marilyn Fielding

Councillor Peter Millea

Councillor Chris Curry

Councillor Paul Clein

Learning Councillor Flo Clucas

Councillor Chris Newby

Portfolio

City Centre and
Promotion

Leisure and
Culture

Community, Equality
and Values

Regeneration

Resources

Lifelong

Environment

Best Value and
Performance

Page 2

Councillors

Councillor Ron Gould

Councillor Dave Antrobus

Portfolio

Supported Living

Chief Whip

Apologies for absence were received from Councillors
Lady Doreen Jones and Richard Kemp.

Executive Officers:

David Henshaw	Chief Executive
Charlie Parker	Executive Director
Colin Hilton	Executive Director Phil
Halsall	Executive Director
Annie Shepperd	Executive Director
David McElhinney	Executive Director

Officers:

Chris Walsh	Council Secretariat
Andy Horner	Council Secretariat Tom
Farrell	Press Office Adrienne
Taylor	Head of Executive Office
Mark Jeffrey	Members Support
Andrew Dyson	Members Support

The Leader welcomed colleagues from Islington Borough
Council.

ExecutiveBoardfinalmin1011000.doc

MINUTE NO.	SUBJECT MATTER	ACTION
51.	<p><u>Declaration of Interests</u></p> <p>None were submitted.</p>	
52.	<p><u>Minutes of Last Meeting</u></p> <p>The minutes of the last meeting held on 20th October were agreed as a true record. <u>Matters arising</u></p> <p>The Chief Executive advised the Board that further discussions were to take place with Norman Bettison, Merseyside Chief Constable in regard to the proposal relating to the secondment from the Police Service to one of the Assistant Executive Directors posts within Housing and Neighbourhood Services and this issue was to be the subject of further discussions with Norman Bettison.</p> <p>Objective 1 Development of Strategic Frameworks</p> <p>Councillor Flo Clucas gave an update in respect of the work that was taking place and that –</p> <ul style="list-style-type: none"> - business plans were being drafted for priorities within measures 3 and 4 meetings were being sought with the Partnership Co-ordinators to ensure funding was maximised for environmental issues in their areas. 	

MINUTE NO.	SUBJECT MATTER	ACTION
53.	<p><u>Proposed Joint Venture with British Telecom</u> (JVPO/04/00)</p> <p>David McElhinney outlined a progress report on the establishment of a Joint Venture Company (JVC) with British Telecom (BT) to provide the Council's ICT infrastructure and deliver a package of services encompassing revenues and benefits, payroll, Human Resources and customer contact outlets including the City Council's Call Centre. It was stated that –</p> <ul style="list-style-type: none"> (a) the matter was coming close to a conclusion; (b) the proposed contract would be submitted to the appropriate Select Committee for scrutiny; (c) a lot of activity has been taking place around the transfer of the day to day services within the Council; (d) the Revenues and Benefits Service was undergoing considerable change going into the JVC; and (e) the actual detail of the secondment arrangements was being worked through and this will be covered within the report to be produced. <p>Members raised the following issues –</p>	

MINUTE NO.	SUBJECT MATTER	ACTION
	<p>(a) how will the authority ensure it doesn't face the same problems other authorities have;</p> <p>(b) there is a clear need to ensure the Revenues and Benefits service is running properly;</p> <p>(c) what impact has the recent developments within BT had on the proposals; and</p> <p>(d) what has the response been from the Trade Unions.</p> <p>Councillors Chris Newby stated that experience of the authorities has been gained and this was a phased partnership approach which will clearly link into the Council's Seaport to E-Port objectives.</p> <p>David McElhinney stated that –</p> <p>(i) there is no individual contract, the commercial principles had been agreed and each specific area was to be covered by a schedule;</p> <p>(ii) services needed to be in a better condition going into the JVC;</p> <p>(iii) the Council is still a key player in the JVC and will remain so for the future;</p>	

MINUTE NO.	SUBJECT MATTER	ACTION
	<p>(iv) discussions were ongoing with the trade unions, he had not raised any opposition.</p> <p>The Chief Executive stated that –</p> <p>(i) the 2 systems would be run together before they migrate to ensure they were running effectively;</p> <p>(ii) BT now see this type of work as part of their core business and are developing their organisation around it; and</p> <p>(iii) powers will be available to the authority within the legislation relating to powers of economic social and environment to progress the initiative of well being.</p> <p>It was agreed that the report be noted.</p>	
54.	<p><u>Launch of Urban White Paper</u></p> <p>The Chief Executive outlined the key issues arising from work undertaken with the Core Cities Group on the proposed Urban White Paper.</p> <p>Members raised the following points –</p> <p>(a) the report needs to be produced with less technical language;</p>	

MINUTE NO.	SUBJECT MATTER	ACTION
	<p>(b) Liverpool and Manchester were spearheading the proposals and other Merseyside authorities and Associated Greater Manchester Authorities had expressed concerns;</p> <p>(c) it needs to be made clear to neighbouring authorities if Liverpool does well that they would also benefit;</p> <p>(d) it is clear that the major cities such as Liverpool were the engines for regeneration in the area.</p> <p>Charlie Parker stated that there had been a launch of a joint vision for Liverpool and Manchester that week which had been well received.</p> <p>It was agreed that –</p> <p>(a) the work of the Core Cities Group in the development of the Urban White Paper be noted;</p> <p>(b) Liverpool’s proposal to host a regional launch of the Urban White Paper be approved; and</p> <p>(c) the efforts to continue dialogue with Government on the future role of the City in improving national prosperity be supported.</p>	C. Parker

MINUTE NO.	SUBJECT MATTER	ACTION
55.	<p><u>Awards for Outstanding Contributions Freedom of the City with the City</u></p> <p>The Board considered a recommendation relating to proposals to recognise the achievements of individuals who have made an outstanding contribution to the City over a significant period of time.</p> <p>Committee Members raised issues in respect of the Lord Mayor's awards for business, to those businesses who have excelled themselves in recent years for growth, innovation and achievement.</p> <p>It was agreed that as part of the celebration of this millennium year and in order to recognise the outstanding contribution of individuals within the City, the following actions be taken –</p> <ul style="list-style-type: none"> (a) a process be put in place immediately to seek nominations to be considered for the award of honorary freedom of the City. The process to allow for nominations to be submitted by all Councillors for consideration by a panel and ultimately the full Council; (b) the annual Certificate of Merit Award Scheme be refocused and re-named and extended to recognise outstanding service by individuals to communities in the City and also outstanding contributions in a variety of other areas relating to the various 	

MINUTE NO.	SUBJECT MATTER	ACTION
	<p>portfolios; and</p> <p>(c) a process be drawn up to enable nominations to be made to recognise the outstanding contribution of individuals to political life in the City. The detail to be reported by the Chief Executive as part of the response to the recent Council Motion relating to the recognition of the contribution of former councillors.</p>	Chief Executive
56.	<p><u>Electoral Reviews</u></p> <p>The Chief Executive outlined the timetable and implications for the proposed electoral reviews. He stated that –</p> <p>(a) the process needed to be inclusive; and</p> <p>(b) the Council need to agree the formula for submission to the Commission.</p> <p>Members raised the following points – (a)</p> <p>welcome the reviews and raised concern that there had been no boundary changes in the City for 23 years;</p> <p>(b) the difference in size and population within the Wards in the City;</p> <p>(c) the public need to be consulted within the process;</p>	

MINUTE NO.	SUBJECT MATTER	ACTION
	<p>(d) the current Wards do not reflect natural neighbourhoods;</p> <p>(e) some Ward changes could actually then change Borough and Council for the Ward;</p> <p>(f) what resources were available to establish a solution and how was the proposal going to be worked up; and</p> <p>(g) the process should include the use of the Area Committee system.</p> <p>The Chief Executive stated that the Council needs to be proactive in this matter and develop a proposal which is owned by the majority of stakeholders.</p> <p>It was agreed that a further report be produced in relation as to how the matter is to be progressed.</p>	<p>Chief Executive Tim Date</p>
57.	<p><u>Tender Community Meals Contract</u></p> <p>Annie Shepperd outlined proposals in relation to the tender process for Community Meals contract and the implementation arrangements for the frozen regenerated meals.</p> <p>It was agreed that the following recommendation be approved:-</p>	

MINUTE NO.	SUBJECT MATTER	ACTION
	<p>(a) the report of the Executive Director be noted;</p> <p>(b) authority be agreed for the establishment of a post of Contract Officer (Meals), to manage, monitor and develop the Community Meals Contract; and</p> <p>(c) authority be agreed for a reduction in the charge to service users from £2.00 per meal to £1.93 per meal from the date when the new Community Meals Contract is fully implemented.</p>	Annie Shepperd
58.	<p><u>Leaders Business</u></p> <p>(i) Redundant Furniture</p> <p>Report to be produced for next meeting.</p> <p>(v) Twinning Friendship Links</p> <p>Report to be produced for next meeting.</p> <p>(iii) Warwick Business School</p> <p>Representative to attend Consortium Conference</p> <p>(iv) Lee Manor</p>	<p>David McElhinney</p> <p>David McElhinney</p>

MINUTE NO.	SUBJECT MATTER	ACTION
	<p>Councillor Paul Clein enquired as to the progress with regard to establishing an alternative use with the site.</p> <p>The Chief Executive indicated that discussions were ongoing with Everton Football Club to use the site for a proposed Football Academy.</p> <p>However the size of the site was an issue. Members raised the following issues that –</p> <ul style="list-style-type: none"> (i) there was land opposite the site which could possibly be used; and (ii) a possible road closure could be implemented to progress the option. <p>It was agreed that the options be explored and a progress report be produced to a future meeting of the Board.</p>	<p>Chief Executive</p>

Appendix 3 CPA Score

Liverpool City Council

Comprehensive Performance Assessment (CPA) scorecard 2006

Overall performance for this Council



This is a Council that is **improving adequately** and demonstrating a **2 star** overall performance.

We reached this overall rating by looking at:

- What progress Liverpool City Council has made in the last year – direction of travel
- How Liverpool City Council manages its finances and provides value for money – use of resources
- How Liverpool City Council's main services perform – service performance
- How Liverpool City Council is run – corporate assessment

Service assessments, use of resources and corporate assessments are scored on the Local Services Inspectorate Forum scale:

- 1 = Inadequate performance – below minimum requirements
- 2 = Adequate performance – only at minimum requirements
- 3 = Performing well – consistently above minimum requirements
- 4 = Performing strongly – well above minimum requirements

Direction of travel

The progress Liverpool City Council has made in the last year

Direction of travel	2005	2006
This assessment indicates the progress being made, or otherwise, to achieve improvement.	improving adequately	improving adequately

The following summary has been provided to support this direction of travel assessment:

The Council has continued to make improvements to many of its key services, notably adults' social care. Educational attainment, street cleaning and benefits services have also seen some improvement. There are good examples of the Council working with its partners, for example in relation to addressing health inequalities, and the Council is continuing to promote the economic regeneration of the City through major investment programmes such as Liverpool One development. However the rate of improvement remains slow in a number of other service areas, particularly housing. Waste and recycling performance lags behind other councils and the number of some crimes is increasing from an already high level. Progress on delivering improvements to the 'Supporting People' arrangements to help vulnerable people live in their own homes has been slower than anticipated. Progress is being held back by a poor financial position and the lack of an agreed medium term financial plan. There have also been some weaknesses in the Council's governance arrangements. The new Leader and Chief Executive are working to make the agreed improvements.

Use of resources

How Liverpool City Council manages its finances and provides value for money

Use of resources	2005	2006
We have assessed how well the Council manages its finances and provides value for money.	2	2

This use of resources judgement is drawn from five individual judgements provided by the Council's appointed auditor:

Auditor judgements	2006
Financial reporting	2
Financial management	1
Financial standing	1
Internal control	2
Value for money	2

Corporate assessment	

How Liverpool City Council is run

Corporate assessment

2006

In assessing how the Council is run, the Commission considers what the Council, together with its partners, is trying to achieve; what the capacity of the Council, including its work with partners, is to deliver what it is trying to achieve; and what has been achieved?

3

Score used is from the 2002 corporate assessment.

The way we carried out corporate assessments changed from 2005 onwards. Until 2008, when all councils will have been assessed using the new-style corporate assessment, the CPA category will be based on either its new corporate assessment score or the previous one if that is higher.

Please visit the Audit Commission website (www.audit-commission.gov.uk) for the full version of this scorecard.



Preparing for your performance, review

March 2009



Preparing for your PRD

What is the purpose of a PRD?

To ensure that you understand how your role contributes to the delivery of your business unit's objectives and in turn supports the council to deliver its vision, aims and priorities.

To review your performance and celebrate your achievements over the past 12 months.

To set out and agree your personal performance and development plan for the forthcoming year under the five core elements of the council's business plans (performance, customer focus, compliance, cost and value for money).

To identify and discuss any health, safety and wellbeing concerns.

Documents that you should review before your PRD meeting:

Liverpool City Council's vision, aims, priorities and values

AWARE diagram (Appendix 1) This shows how your role fits into the bigger picture by putting the five core elements of your business plan (performance, customer focus, compliance, cost and value for money) into context with the council's corporate objectives. It also explains how performance results are published.

Your business unit's business plan. The corporate plan sets out our overall aims and priorities and business plans provide specific objectives for each business unit.

Line managers should make sure that their unit's business plan, or a relevant summary, is available to all employees.

The competency framework (if appropriate)

Your job description and person specification

Your last PRD form

Completing the form

You and your manager should both fill in as much of the form as possible before the meeting. This will help you prepare as you will have evidence and ideas to refer to when discussing your performance and development objectives.

You should update your PRD form regularly to record your progress and achievements.

Section 1 Personal details

Complete all boxes.

Section 2 Review of the previous year

2.1 Review of previous year's objectives and outcomes

Complete details of your performance for each of the key objectives that were set at your last PRD. If you did not meet your objectives please include a brief explanation.

2.2 Developments, achievements and recognition over the previous year

This section celebrates all your achievements, not just your formal objectives. Important successes may include recognising how you improved your performance. Include any training and examples of others recognising the value of your work, e.g. formal recognition schemes, feedback from colleagues or customer comments.

Section 3 Organisational culture and behaviour

Behavioural competencies will be introduced to translate the council's vision, aims and values into visible ways of working for all employees. The competencies that you will be expected to demonstrate will depend upon your specific role. Further information will be available once the competencies are introduced; so for the present please leave this section blank.

Section 4 Business objectives relevant to individual

Section 1.1 of the business plan sets out your business unit's objectives. Discuss the objectives that are relevant to your role and then copy them into this section of your PRD form.

Section 5 Personal performance plan for the next year

In this section you will focus on the actions that you will take over the coming year to help your business unit to improve:

performance - e.g. undertaking certain tasks that will positively impact on your business unit's performance.

customer focus - e.g. working with particular groups of customers to establish new ways of working and providing services which better meet their diverse requirements.

compliance – e.g. developing new procedures or taking action to ensure that existing arrangements comply with statutory or corporate requirements such as freedom of information or ICT policies.

costs and resources – e.g. helping to devise new ways of working that will reduce the time spent on particular activities enabling more to be done in less time. This could include mentoring colleagues to increase skill levels or using assets such as office space or equipment more effectively.

value for money – e.g. taking benchmarking action to compare the costs and performance of similar activities in other teams and organisations or assisting in value for money reviews.

The priorities, key actions and completion dates from section 6 'Key Action' of the business plan which are relevant to you should be copied into the corresponding boxes in the PRD form.

Discussions should then focus on agreeing the actions that you will take over the coming year to help your business unit to improve in these areas: (performance/customer focus/compliance/ costs and resources and value for money).

There are a variety of different roles and responsibilities in the council. Many people focus on particular activities so your actions may only sit under some of the headings. For example, if you have a lot of contact with the public, you are likely to have more actions under customer focus than compliance.

If you have more actions under a particular heading than the template currently provides, the tables can be copied and pasted.

To enable both you and your line manager to be clear about the way forward actions should as far as possible be:

Specific - describe exactly what you are aiming to achieve

Measurable - results can be measured, e.g. in terms of finance, time etc.

Achievable - fits within your and your manager's expectations of the job role

Realistic - the required knowledge and support is in place

Time based – with a fixed period to achieve the objective

In order to achieve your actions you may need additional skills and knowledge, therefore discuss with your manager different options for support.

Under the Progress heading record your significant achievements. You will find it easier to complete this section regularly and not wait for your next PRD.

Section 6 Individual development objectives for the next year

Use this section to record your agreed development objectives. These should be clearly linked to the objectives of your business unit and/or the overall aims of the organisation. If you require support to achieve your development objective discuss with your line manager the different options that are available (e.g. training/mentoring/job shadowing etc).

Section 7 Health, safety and wellbeing

Use this section to identify and discuss any health, safety or wellbeing concerns such as your attendance, working patterns and work-life balance and record any actions that you agree. This will help to ensure a safe and supportive work environment.

Section 8 Any other issues or concerns

Please do not wait until your PRD to raise concerns. However, you can use this section to highlight any areas that you wish to discuss.

Section 9 – PRD agreement

It is important that you agree your performance actions and development objectives with your line manager. When you have agreed the content of your PRD you and your manager should sign the form.

Appendix 5 Staff Questionnaire Results

Frontline Staff Questionnaire

Q1 How long have you worked in the Revenues Service?

1 to 5 years	1	3%
5 to 10 years	1	3%
over 10 years	30	94%

Q2 How regularly do you have a KIT with your line manager?

Once a week	0	0%
Once a fortnight	0	0%
Once a month	4	13%
Irregular	28	88%

Q3 Do you discuss your personal performance during your KIT?

Always	12	38%
Occasionally	17	53%
Never	3	9%

Q4 Do you discuss personal issues unrelated to work?

Always	1	3%
Occasionally	23	72%
Never	8	25%

Q5 Are the vision and goals of LDL ever mentioned or discussed during your KIT?

Always	1	3%
Occasionally	15	47%
Never	16	50%

Q6 Do you have an understanding of the performance goals you are expected to achieve?

Yes	22	69%
No	5	16%
Unsure	5	16%

Q7 How regular is your Performance Review and Development meeting with your line manager?

Every 6 months	5	16%
Every 12 months	11	34%
Greater than 12 months	15	47%
Never had one	1	3%

Q8 Are you clear about the difference between a KIT and a PRD?

Yes	22	69%
No	7	22%
Uncertain	3	9%

Q9 At your last PRD did you agree a personal development plan (including training if required)?

Yes	12	38%
No	13	41%

Uncertain	7	22%
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Q10 Prior to your last PRD, were you given information about the PRD meeting?

Yes	17	53%
No	11	34%
Uncertain	4	13%

Q11 Does your manager conduct your KIT/PRD in a friendly open manner that makes you feel relaxed?

Yes - they are friendly and relaxed	28	88%
No - they are more formal and not relaxed	1	3%
Uncertain	3	9%

Q12 Do you consider your manager is enthusiastic about these meetings or just "going through the motions"?

My manager always appears to be enthusiastic	10	31%
My manager appears to be "going through the motions"	15	47%
Uncertain	7	22%

Q13 Do you look forward to your KIT/PRD with your manager?

Yes	5	16%
No	12	38%
I have no opinion either way	15	47%

Q14 Do you think your manager is sufficiently trained to conduct your KIT/PRD?

Yes - they have sufficient training	13	41%
No - they need more training	10	31%
Uncertain	9	28%

Q15 Does your manager provide feedback and support at your KIT/PRD?

Yes - I do receive support and feedback	17	53%
No - I do not receive support and feedback	6	19%
Only occasionally	9	28%

Q16 Do you consider that the KIT/PRD gives the opportunity for honest two way communication?

Yes	19	59%
No	5	16%
Uncertain	8	25%

Q17 Do you think that the KIT/PRD has benefited your career prospects?

Yes - I believe these meetings benefit my career	1	3%
No - I see no benefit to my career	28	88%
Uncertain	3	9%

Q18 Has your KIT/PRD helped you do your work better?

Yes	8	25%
No	20	63%
Uncertain	4	13%

Q19 Has your KIT/PRD helped in your relationship with your manager?

Yes - it has improved our relationship	8	25%
No - it has made our relationship worse	2	6%
They have had no effect either way	22	69%

Q20 Has your KIT been conducted in a place that you found comfortable?

Yes - it is a suitable location	19	59%
No - the location is not suitable	9	28%
Uncertain	4	13%

Q21 Has your PRD been conducted in a place that you found comfortable?

Yes - it is a suitable location	18	56%
No - the location is not suitable	8	25%
Uncertain	6	19%

Q22 Are you confident that your KIT/PRD with your manager is completely confidential?

Yes - I believe they are confidential	18	56%
No - I do not believe they are confidential	7	22%
Uncertain	7	22%

Appendix 6 Interview Questions and responses

Senior Managers Questionnaire Responses

Question 1	What do you consider is the importance of KITS and PRDS to the revenues service?
Responses	<ol style="list-style-type: none">1. Very important for communication. Kits in particular are useful for discussing individual issues. The vision and values are ratified at the meetings They should refer to the individual's job role and how this may change. Performance should also be discussed at the meeting For LDL it ratifies the understanding of the service but this understanding must be discussed consistently.2. The PRD is crucial in providing information on the operational plan for the year and how it affects the individual member of staff. KITS should not be about talking on personal issues but concentrated on performance. I don't think they discuss the operational plan meaning that

	<p>staffs do not get a full understaffing of their input in the success of the service.</p> <p>Staffs are not made to feel they are committed. We still have team silos which cannot be tolerated.</p> <p>They must instil a more business minded focus.</p> <p>3. I feel KIT meetings are not structured and have no agenda. Any agenda should include individual and service performance. They are an opportunity for the team leader to talk privately with the individual.</p> <p>They have to be taken seriously and occur on regular bases.</p>
Question 2	Do you think that the appraisal policy of LDL is something which is embraced enthusiastically by staff or is it just another activity which has to be done?
Responses	<p>1. Yes but depends on the individual Some managers are not as enthusiastic as they should be. Some are just there for the ride. This effects motivation and enthusiasm of staff.</p> <p>2. It just another activity- tick in the box and seen as just a little chat.</p> <p>3. I think most people within LDL would see the process as a chore. They think that they cannot offer staff anything from the process. Managers generally do not look forward to doing them. There is a lack of consistency in the delivery of the KITS and the PRDS</p>
Question 3	Do you have confidence in the manager's capacity to undertake KITS/PRDS?
Responses	<p>1. Confident in ability to undertake Kit and PRD however is not consistent amongst all managers. Training needed to reinforce the process on how they should be conducted which should come from their own PRD.</p> <p>2. NO. I do not think they understand the difference between a KIT and PRD and they are not committed.</p> <p>3. I have confidence in most of the managers to do KITS and PRDS but much less confidence in the team leaders. The obviously is a problem with the process so we need to think what we should be doing about it.</p>
Question 4	What feedback have you received from your managers from the KITS/PRDS they have conducted?
	<p>1. Cannot recall any specific feedback and feedback is an issue as we don't receive any from any of the communication forums. This is an area we need to improve upon and test more regularly.</p> <p>2. If it is positive then we tend to get the feedback</p> <p>3. <i>This is a weakness partially on my part as I have left it to the individual managers.</i></p>
Question 5	What key messages should be communicated?
Responses	<p>1. They need to know about the contractual targets with the Council and other</p>

	<p>performance targets. Vision and values need to be communicated. The KIT is more informal and looks at individual performance issue and the quality of their work. Relationships with manager should be discussed</p> <ol style="list-style-type: none"> 2. Their responsibility to the service as individuals. They need to understand what they need to do to earn their money. Performance will always have to be high in fact this is key .The PRDS are more global. It reviews their performance over the year but also the performance of the service. 3. Kits look at day to day issues but also communicate the vision and values. Evident that staff are not aware of these.
Question 6	What frequency do you consider KITS should take place?
Responses	<ol style="list-style-type: none"> 1. They should be weekly or fortnightly-but we interact with staff every day. Weekly would be best. 2. They should take place once a month as a minimum. But this will depend on the individual. Every week they do become a bit stale. 3. The Kits should be weekly bases at least for senior managers.
Question 7	How could they be changed to make them more effective? Or should we simply abandon appraisal and concentrate more on performance measurement?
Responses	<ol style="list-style-type: none"> 1. It would be dangerous to abandon them some people need kits to communicate information. Performance measurement is one part of PM. We need to talk about the bigger picture but we should get input from the front line staff. 2. Defiantly need performance appraisal and personally I do not believe it is being done as much as it should be? If we did more, then this would stop some of the quality issues we are currently seeing. 3. We need to brief senior officers on the information to be communicated but also we need to meet as a management team and discuss what is the best way to go forward with kits-maybe agree an agenda.
Question 8	How do you think staff benefit in reality from KIT/PRDS?
Responses	<ol style="list-style-type: none"> 1. They get out of it what we put into it. If the manager is enthused and put it across in the right way then the staff will receive this in the right way. 2. No not the way they are carried out. There is no focus on the individual and what they could achieve. Staffs at the present are getting nothing out of the process. 3. I am not so sure they do get a benefit. I don't think the teal leaders actually but into them particular the PRD. I don't think they see a need for the PRD.
Question 9	Do you consider managers are willing to do KITS or PRDS are they compelled?

Responses	<ol style="list-style-type: none"> 1. We compel them to do it. 2. They do not look forward to it and is embarrassing for some of the managers. 3. They see a reason for doing the kit but not the PRD. I don't think they understand the PRD process which is down to managers to resolve.
Question 10	Would you agree that a KIT/PRD is just another method of management control?
Responses	<ol style="list-style-type: none"> 1. Probably an element of both. 2. I do not agree. If they are carried out properly they will provide a development opportunity. It is about staff having their say. There may be an element of control as we communicate key messages but overall they are not management control. 3. I would disagree. You may talk about performance but we also talk about other issue as well. It not just a matter of control.
Question 11	Are the KIT/PRDS just a further bureaucratic exercise or can we actually measure what they achieve?
Responses	<ol style="list-style-type: none"> 1. We cannot measure what they achieve. It tends to remain between the manager and the individual and we simply did not get enough feedback. 2. There is an element of this in particular when looking for external accreditation but we need the kits and PRDS to communicate with staff. We need to get key messages across. 3. From the top down they need to see this being done but I don't believe those at the top are really buying into this.
Question 12	Have you ever had to rearrange a KIT/PRD at short notice?
Responses	<ol style="list-style-type: none"> 1. Yes. Do not know anyone who has not but I do try really hard not to. 2. Yes. It does not show a lack of commitment but it depends on the reason. If you communicate with staff the reason why it has been cancelled. 3. Yes

Senior Officers Questionnaire Responses

Question 1	What in your opinion are the benefits and main purpose of regular KITS/PRDS?
Responses	<ol style="list-style-type: none"> 1. The kit discusses were they are up to and other personal issues. The PRD sets the targets for the year and identifies training needs etc. 2. KITS is the team leader away from the job to communicate any problems the staff may have. They give me an opportunity to get the real opinions of the team member. It may be things they are embarrassed about. PRDS I am not that keen on. Personally I find the paperwork a problem. The differentiation between the kit and PRD is that I see kits linked to business performance and were they fit within the business. PRDS are linked to gains, promotion onto further education within the business. I struggle to provide staff anything within the PRD. I need to be able to offer something to encourage staff but during the PRD I cannot offer anything they are interested in. 3. The kits are more informal and give me the opportunity to discuss personal issues and performance. The PRD is more formal and takes much longer to prepare. It is difficult to get staff to buy into the PRD especially as most of them have been here a long time.
Question 2	Do you consider that individual performance improves with regular KITS/PRDS?
Response	<ol style="list-style-type: none"> 1. Gives the opportunity to discuss problems and it's their time to have a one to open with me. The PRD helps the work but it can place too much pressure on staff. It can give them something to work to but it is difficult. 2. Yes it does as it is the opportunity for me to challenge performance. It gives the opportunity to find out the problem for poor performance and challenge their behaviour. I can also advise them why I think they are failing. Some staffs prefer to communicate on one to one bases rather than in a team meeting. 3. You can pick up issues on performance or anything else. Staffs are more open in KITS and it is the best opportunity to review their performance.
Question 3	How do you benefit as a senior officer from KITS/PRDS with your staff?
	<ol style="list-style-type: none"> 1. They say things they would not say in front of the team. Opportunity to discuss personal and performance problems. If you know they are distracted then you can change their work if required. 2. They discuss work and personal problems at the KIT. It can also provide clarity of communication on issues they may be confused about. However you have to understand that some staff will not respond no matter what you do. I tend to deal with a lot of personal issue that may be affecting performance. 3. I get to know the staff better and identify work they do not like. It helps in understanding the different personalities on the group. Some staffs need KITS as they will not communicate in a team environment.

Question 4	What do you think should be the frequency of KITS?
	<ol style="list-style-type: none"> 1. Once a month. I have a small team and more than this can become a skive. 2. It depends on the individual. The minimum should be once a month. 3. Once a month anything more can become time consuming.
Question 5	Do you consider the current format of KITS/PRDS to be working or could they be changed to function better?
Response	<ol style="list-style-type: none"> 1. It very hard to fit KITS in. The PRD should come from the top in that my manager should set my targets which will feed into the PRDS. Other activities tend to get in the way of doing them. This is the pressure of work. The PRDS are harder and there is not much we can offer. It is hard to think of incentives. We should look at team building activities outside the PRD. They need to see some reward for hard work. 2. The KITS work well. They give me the opportunity to talk about performance and personal issues. PRDS I do not think work at all. They are time consuming and we cannot offer anything. 3. The KITS re informal and work well. They encourage communication. The PRDS are perhaps too formal. They take too long and the staffs lose interest. We need to be able to offer something which could be financial or something else.
Question 6	What do you consider to be the key elements of a KIT/PRD?
Responses	<ol style="list-style-type: none"> 1. The KIT is about what they are doing and their performance. Any issues can be discussed. The PRD is about the bigger picture and it reflects upon the year and looks at training etc. 2. KITS discuss personal issues. The PRDS are about the years performance and training plans which they may need. 3. KITS concentrate on performance. The PRD looks at the yearly performance. Training and development are also a key part of the PRD.
Question 7	Have you ever had to cancel a KIT or PRD at short notice?
	<ol style="list-style-type: none"> 1. Quiet often. Mainly due to pressure of work. 2. On rare occasions I have had too. 3. Yes due to work.
Question 8	Do you consider you have received either sufficient training or have the required experience to do the appraisals?
	<ol style="list-style-type: none"> 1. I have had no training. Its a job I just acquired. I think it would be an advantage to have some training to pick up new techniques. 2. We have not received any training. It is something you are expected to know how to do.

	<p>3. There has been some limited training in the past but it tends to be something you grow into.</p>
Question 9	How do you deal with staffs that have poor performance during their PRD?
	<p>1. If performance is poor I will not wait for their PRD. If staff react badly I just think they are entitled to their opinion.</p> <p>2. At every KIT I mention their performance. At the PRD I look to see why they have had such poor performance and what plans we can put in place to make it better.</p> <p>3. I raise the issue of poor performance at their KIT or just speak to them in the office. In the PRD I will ask them if they have any personal issues or can we give them a different type of work.</p>
Question 10	Can you give an example of how a KIT or PRD has helped your staff?
	<p>1. Yes I have identified personal issues and was able to give them a different outlook.</p> <p>2. Yes I had one member of staff who was reluctant to speak at team briefs. As was able to speak to them on a one to one in the KIT and resolved several issues.</p> <p>3. Yes one member of staff would get very agitated. This turned out to be some personal issues and difficulty they had with some work which they were embarrassed about. We were able to resolve the issues.</p>
Question 11	Do you enjoy appraisals?
	<p>1. I enjoy the KITS because they are more informal. The PRDS are more involved as I put pressure on myself to think of what I can offer staff. It is hard to get feedback from staff which makes them more difficult.</p> <p>2. I enjoy the KITS as they are less formal. I do not like the PRDS. The preparation and the feeling you can really offer anything does not help. The staffs do not like them either.</p> <p>3. The KITS re good and I like the informality. The PRDS are too time consuming and difficult to enjoy when you cannot offer anything to the staff.</p>
Question 12	How would you respond to the suggestion that appraisal through KIT/PRD is just another element of management control?
	<p>1. No I do not think it is. It is an opportunity for staffs to be away from the team and discuss things.</p> <p>2. I would not agree. There are elements of telling staff what to do as regards performance but we are there to help and give advise.</p> <p>3. I don't think they are. We will ask them to do certain things but we are also there to listen</p>

	and help.
Question 13	Do you consider that the KITS/PRDS have true meaning or are they just another element of bureaucracy?
	<ol style="list-style-type: none"> 1. The PRD more so as you have to do them. Though it is useful to know your target. The kit is needed to keep the personal touch. 2. The KITS are really useful for me and the individual. It is the informality which staff enjoy. The PRDS are just a tick in the box. 3. The PRDS to me are just a management exercise. I do not see the overall benefit of them. The KITS however are really useful for managers and staff.

Appendix 7 Kenexa Survey

Staff Survey – Revenues Action Plan and RAG Report

Ref	Survey Statements	Revenues Score			Average Score			Comments and Actions	RAG Status
		% Favourable	Neutral	% Unfavourable	% Favourable	Neutral	% Unfavourable		
	Employee Engagement	432	34	173	1316	28	187	<p>Need to keep staff regularly informed of the achievements of LDL</p> <p>Review reward and recognition and consider ways of tackling apathy particularly amongst staff that have been here many years.</p> <p>Development of staff forums</p> <p>More staff involvement required particularly at floor meetings on the issues that directly affect them.</p>	
1	Overall, I am extremely satisfied with LDL as a place to work	037	40	1410	942	27	175		
2	I would gladly refer a good friend or family member to LDL for employment	23	32	111	14	24	15		

Ref	Survey Statements	Revenues Score			Average Score			Comments and Actions			RAG Status							
		% Favoura ble	Neu tral	% Unfav ourabl e	% Favour able	Neu tral	% Unfav ourabl e											
		10	8	22	7	1	2	4	22	8	1							
3	I rarely think about looking for a new job with another company	10	3	5	1	1	6	7	2	3	0	2	5	2				
4	I am proud to say I work for LDL	3	1	9	2	1	1	6	1	3	1	1	4	6				
Manager Effectiveness		12	4	4	18	1	1	5	0	2	3	4	6	18	9	3	There is a requirement to monitor team meetings to ensure the frequency and quality standards are met. Explain more fully to staff the role of managers and how they fit into the structure Ensure KITS and PRDS relate to the service plan Deliver coaching courses for all managers.	
5	My manager is an effective leader	8	4	0	22	1	1	9	1	2	2	4	5	19	1	3		
6	Overall, I feel a good job is being done by my	16	4		14	1	1	2	4	18	7	4						

Ref	Survey Statements	Revenues Score			Average Score			Comments and Actions	RAG Status
		% Favourable	Neu tral	% Unfav ourabl e	% Favour able	Neu tral	% Unfav ourabl e		
	immediate manager	630	25	236	10	57	23	16	
Communication		630	25	236	10	57	23	16	<p>The communication pathways have now been embedded in the service. These include, KITS, PRDS, SARS, Team Briefs and floor meetings. The objective now is to ensure that any messages are communicated correctly and that the quality and frequency are maintained. Staffs need to understand the importance of communication both internally and externally.</p> <p>Better use of SharePoint</p> <p>More frequent attendance at team briefings by the Pos</p> <p>We need to publish inter service developments and achievements.</p>
7	In LDL there is open and honest two-way communication	011	22	389	26	27	303		
8	I receive information and communication I need to do my job effectively	124	27	334	60	23	256		

Ref	Survey Statements	Revenues Score			Average Score			Comments and Actions			RAG Status
		% Favourable	Neu tral	% Unfav ourable	% Favourable	Neu tral	% Unfav ourable				
9	There is good collaboration across different service areas within LDL	0	14	32	37	17	35	27	10		
10	My manager clearly communicates what is expected of me	11	38	27	11	13	19	8	2		
11	My manager is an effective listener	16	37	21	13	14	18	7	3		
12	My manager effectively communicates LDL’s goals and objectives	5	41	21	17	16	23	11	2		
13	I know what the values are of LDL	11	43	29	10	88	18	5	2		
Recognition and Rewards		2	27	30	23	17	28	18	8	More effective use of the STARS reward system An internal reward and recognition process. Christmas Deployment of Comino Drip and the future deployment of Northgate PMQA Explanation of the contribution made by everyone to the	

Ref	Survey Statements	Revenues Score			Average Score			Comments and Actions	RAG Status
		% Favourable	Neu tral	% Unfav ourabl e	% Favour able	Neu tral	% Unfav ourabl e		
								<p>bigger picture.</p> <p>Training, up skilling and capability</p> <p>More even distribution of work</p>	
14	LDL values my contribution	1 1 6	32	2 4 7	7 2 9	34	2 1 9		
15	My job performance is evaluated fairly	2 3 3	33	1 9 3	8 4 1	28	1 7		
16	LDL recognises productive people	2 2 5	25	2 9 9	8 3 2	25	2 5 0		
17	LDL promotes the person best able to perform the job	0 1 4	29	3 6 2	4 2 1	35	2 5 5		
18	My manager provides me with recognition or praise for doing good work	5 4 0	27	1 4 4	1 6 9	21	9 5		
19	My manager provides me with timely and helpful feedback	8 2 1	38	1 9 4	1 4 7	24	1 1 4		

Ref	Survey Statements	Revenues Score			Average Score			Comments and Actions	RAG Status
		% Favourable	Neu tral	% Unfav ourabl e	% Favour able	Neu tral	% Unfav ourabl e		
20	My manager deals effectively with poor employee performance	32	22	24	10	35	14	7	
21	I am paid fairly for the work I do	24	22	16	18	21	18	13	CI
22	I am satisfied with the benefits I receive at LDL	12	35	27	18	31	18	10	CI
Involvement and Belonging		13	25	14	14	20	11	5	<p>Encourage staff to sign up for training.</p> <p>Make them part in some way of the decision making process (staff forums)</p> <p>We need to encourage implement and reward good ideas.</p> <p>The KITS should not just explore work but the health and well being of staff</p> <p>Team building should be high on the team brief agenda.</p> <p>Challenge negative issues</p>
23	Within my service area, we work well together	17	16	8	13	11	6	3	

Ref	Survey Statements	Revenues Score			Average Score			Comments and Actions	RAG Status
		% Favourable	Neu tral	% Unfav ourabl e	% Favour able	Neu tral	% Unfav ourabl e		
	as a team	8		1	2	9			
24	My manager really cares about my well being	16 3 0	30	1 4 0	1 1 0	2 4 4	23	9 3	
25	I am involved in all decisions that affect my work	10 3 0	27	1 4 9	1 1 3	3 7	25	1 7 8	
26	I am encouraged to develop new and better ways of doing things	11 2 5	29	1 9 6	1 1 7	4 3	22	1 3 5	
Growth and Development		5 2 5	29	2 4 6	1 1 0	3 7	27	1 8 8	Encourage staff to take up training opportunities (through KITS and PRDS) Issue again is staff longevity Move staff around on a more regular basis Up skilling and training now identified as part of the skills matrix and deployed.
27	LDL provides me with opportunities for learning	8 2	21	3 1	1 1	3 3	25	1 8	

Ref	Survey Statements	Revenues Score			Average Score			Comments and Actions	RAG Status
		% Favourable	Neu tral	% Unfav ourabl e	% Favour able	Neu tral	% Unfav ourabl e		
	and personal development	7		0 4	1 7		9		
28	My job makes good use of my talents and abilities	3 2 7	27	2 1 9 4	9 4 0	23	1 9 8		
29	I have the training to do my job effectively	6 3 2	30	1 1 4 7	1 4 0 1	26	1 7 7		
30	I have access to the resources (e.g. materials, equipment, technology etc) I need to do my job effectively	5 3 8	19	2 1 4 4	1 4 2 7	20	1 5 6		
31	I am satisfied with the career opportunities available at LDL	2 1 1	38	2 2 8 1	7 2 5	34	2 4 1 0		
32	My manager has made a personal investment in my growth and development	3 1 3	43	2 1 7 4	1 2 0 9	36	1 8 7		
33	The type of work I do gives me a sense of accomplishment	5 3 3	29	1 1 9 4	1 4 5 1	23	1 3 8		
Future/Vision		3 2 5	39	1 1 6 6	1 3 0 4	36	1 3 7	More information on the corporate issues within LDL. More images concerning the Vision of LDL	

Ref	Survey Statements	Revenues Score			Average Score			Comments and Actions	RAG Status
		% Favourable	Neu tral	% Unfav ourabl e	% Favour able	Neu tral	% Unfav ourabl e		
								External business	
34	I believe LDL has an outstanding future	1 2 4	51	1 3 1	1 0 6	42	9 3		
35	The leadership of LDL has communicated a vision of the future that motivates me	2 1 4	33	3 0 1	7 2 4	38	2 0 1		
36	I trust the leadership of LDL	0 1 7	35	2 2 5	6 2 6	35	2 0 4		
37	I trust my manager	13 4 3	29	2 1 4	2 0 6	22	8 3		
38	LDL is making the changes necessary to compete effectively	2 2 5	49	1 1 3	7 3 5	43	1 0 4		
39	I can see a clear link between my work and LDL's objectives	4 2 5	40	1 7 4	9 3 6	36	1 4 4		
Quality		4 3 3	30	1 8 6	1 1 0	26	1 6 7	Development of the QA section.	

Ref	Survey Statements	Revenues Score			Average Score			Comments and Actions	RAG Status
		% Favourable	Neu tral	% Unfav ourabl e	% Favour able	Neu tral	% Unfav ourabl e		
								Advise staff how NSG functions Again there is a lot of negativity about LDL normally form staff who have been here for many years.	
40	As a customer of LDL, I would be extremely satisfied with the quality of the products and services I receive	1 2 4	44	1 7 3	6 4 0	34	1 6 4		
41	Customer problems are dealt with quickly	5 3 8	32	1 4 1	8 4 8	27	1 4 4		
42	We regularly use customer feedback to improve our work processes	2 2 8	30	2 7 3	8 3 8	33	1 6 5		
43	The people I work with do their very best for LDL	8 5 4	25	6 6 6	2 4 8	16	7 2 2		
44	My service area is adequately staffed to handle the workload	1 2 1	17	2 5 5	5 2 7	21	2 7 9	CI	
Diversity		17 3 7	33	5 8 6	2 4 4	20	6 4 4	This is normally a Corporate issue but any decisions made at this level need to be effectively communicated.	

Ref	Survey Statements	Revenues Score			Average Score			Comments and Actions	RAG Status
		% Favourable	Neu tral	% Unfav ourabl e	% Favour able	Neu tral	% Unfav ourabl e		
45	LDL is committed to providing equal opportunities for all employees	19 3 2	33	8 8	2 5 3	21	7 4		
46	All employees of LDL are treated as individuals regardless of age, race, gender physical capabilities etc	16 4 1	32	1 1 0	2 4 5	19	5 4		

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